



Committed to the Future of Rural Communities

Direct & Guaranteed Loan Guidelines for Manufactured Housing



Illinois Edition

August 2004

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Excerpt from: Illinois Department of Public Health: Guidelines for Installing Manufactured Homes in Illinois 2002

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RD HB 1-3550 Chapter 9, Section 3: Manufactured Homes

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Processing Procedures Construction and Site Requirements Loan Closing Requirements

RD Instruction 1924-A: Exhibit J:

Manufactured Home Sites: Development, Installation, & Set Up

RD Instruction 1980-D Guarantee Loan Requirements

1980.313 Site and Building Requirements Pages 18-21

Example Forms

RD 1944-5: Dealer-Contractor Application

AD-1048 Certification Regarding Debarment

RD 400-1 Equal Opportunity Agreement, RD 400-3 Notice to Contractors and Applicants

RD 400-6 Compliance Statement

RD 1924-6 Construction Contract

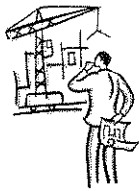
1924-9 Release By Claimants: DC Signs/Certification of Contractors Release

1924-10 Release By Claimants: DC Signs/All Subs, Labor, Materials Paid

RD 1924-12 Inspection Report

RD 1924-19 Builders Warranty: Signed By DC

HB-1-3550, Attachment 5-B Single Family Housing Site Checklist



USDA Rural Development Manufactured Housing Dealer-Contractor Checklist

Please inspect the property to ensure that these minimum standards have been met.

_____ **Home is properly secured on permanent foundation: See HUD Exhibits: Anchoring Straps/Cables affixed to the ground is UNACCEPTABLE**

_____ **Removal of tongue, hitch, wheels, and axles: Removed from UNIT AND SITE**

_____ **Permanent Perimeter Enclosure is in place, completely enclosing the space between the floor joist of the home and the ground**

_____ **Completed Site Development: Conditions of soil, ground water level, drainage, flooding, and topography shall not create hazards to the property and health or safety of the residents.**

_____ **Finished Grade Elevation is a minimum of 8 inches to a maximum of 16 inches below the first floor level. Slope the grade away from the house in all directions to create positive drainage.**

_____ **Thermal Performance Standards containing Comfort Heating and Cooling Certificate for FMHCSS Uo Value Zone 3 & Red HUD Certification Label affixed to the outside of the Unit**

_____ **Gutters: Install new prefinished, continuous formed 5" x 3-3/4" gutters with end pieces and outlet tubes. Provide supports, Anchor in place with non-corrosive fasteners, install to downspout, secure all properly including splash blocks**

_____ **Smoke Alarms, Carbon Monoxide Detectors, etc. all installed and working properly**

_____ **Construction of all attached terraces, decks, porches, garages, or carports is complete**

_____ **Driveway, sidewalks, stairs on all doors are permanent, completed, and accessible**

_____ **Access to all-weather roadways is completed and accessible**

_____ **Landscaping: Planting and lawn or ground covers are completed to protect the site from erosion, control dust, foundation protection, and provide a pleasant environment**

_____ **All electrical and utility connections/ hook-ups are properly installed: including proper disclosure to ensure safety and completion (buried wires, cables, and proper casing)**

_____ **Water and water/waste disposal system: Safe & Approved by State or Local Government Agency. Design requirements must meet State Department Health Codes**

_____ **1 Year Warranty from Dealer/Contractor Provided and Identified by Serial Number of Unit**

_____ **1 Year Warranty from Manufacturer Provided**



USDA Rural Development Manufactured Homes Documentation & Compliance Checklist

Notice on the left which party is responsible for each form and/or action.

RD= Rural Development DC= Dealer-Contractor

- RD * Manufactured Home Sold by Approved Dealer-Contractor (Appendix 7, HB-1-3550)**
- DC * Purchase Agreement with legal description**
- DC * Survey, Plot Plan, and Site Development Plan**
- RD * SFH Site Checklist HB-1-3550 Attachment 5B**
- RD * FEMA 81-93 "Standard Flood Hazard Determination" (Attached to RD 1940-22)**
- RD * Order RD 1922-8 "Uniform Residential Appraisal Report with Form 1007 Marshall & Swift Square Foot Appraisal" (Average Construction for Manufactured Housing)**
- RD * RD 1922-15 "Administrative Review for Single Family Housing"**
- DC * Building Permit, if applicable**
- DC * Thermal Performance Standards containing Comfort Heating and Cooling Certificate for FMHCSS Uo Value Zone 3 & Red HUD Certification Label affixed to outside of unit**
- DC * RD 1924-6 "Construction Contract" which will cover both the unit and site development work**
 - 1. A statement signed by the Dealer-Contractor that the proposed cost is full price of the unit and development activities (No furniture purchased cannot be bought with loan funds)**
 - 2. A statement signed by the Dealer-Contractor indicating that any cash payment or rebate as a result of the purchase will be deducted from the price of the unit and NOT paid to the applicant**
- RD * Post on Job Site this poster: EQUAL EMPLOYMENT OPPORTUNITY IS THE LAW This is a requirement on all federally-financed construction over \$10,000**

"400 Series"

- RD 1. RD 400-1 "Equal Opportunity Agreement"—signed by the borrower**
- RD 2. RD 400-3 "Notice to Contractors and Applicants"—signed by RD**
- DC 3. RD 400-6 "Compliance Statement"—signed by the dealer-contractor**
- DC * AD 1048 "Certificate Regarding Debarment"—signed by dealer-contractor**
- RD * Check the debarment list -- <http://epls.arnet.gov/>**

- RD * RD 1924-AA, EX. D "Record of Pre-Construction Conference"—documentation between (Agency, Applicant, Dealer-Contractor) review drawings/specifications to make sure everyone understands scope of work**
- DC * Builder's Risk Insurance Policy—in place at closing, list borrower as insured**
- RD * RD 1924-12 "Inspection Report"—Foundation & Final
Insert Final Inspection Date on New/Close Screen in MortgageServ**
- RD * Maximum Loan Term is 30 Years**
- DC * RD 1924-10 "Release by Claimants" (except for the manufacturer of the unit)**
- DC * Manufacturer's Certificate of Title indicating the unit is free and clear of all legal Encumbrances**
- RD * The heading on the Real Estate Mortgage should be modified to read "Real Estate Mortgage for IL/Security Agreement" After the legal description, please add the following paragraph:
*"In further consideration of and as further security for the above described loan(s) borrower hereby pledges the mobile home/manufactured home, model _____, make _____ and serial number _____"***
- DC * Dealer-Contractor must provide borrower with a 1yr. warranty: warranty must identify the unit by serial number AND 1yr. warranty from the manufacturer of the unit (RD Form 1924-19 may be used for this purpose)**
- RD * Real Estate Tax Requirement**
1. Site and Unit as Real Property OR
2. Site as Real Property and Unit as Personal Property If a unit is taxed as personal property, CSC can not set up an escrow account for personal property tax
- RD * Title Policy: May have ALTA Endorsement Form 7: Stating the term "Land" as defined in this policy includes the manufactured housing located on the land at the date of policy**





Permanent Foundations Guide for Manufactured Housing

**HUD Exhibits
Examples of Appropriate and
Acceptable Foundations for Seismic and
Frost Zones**

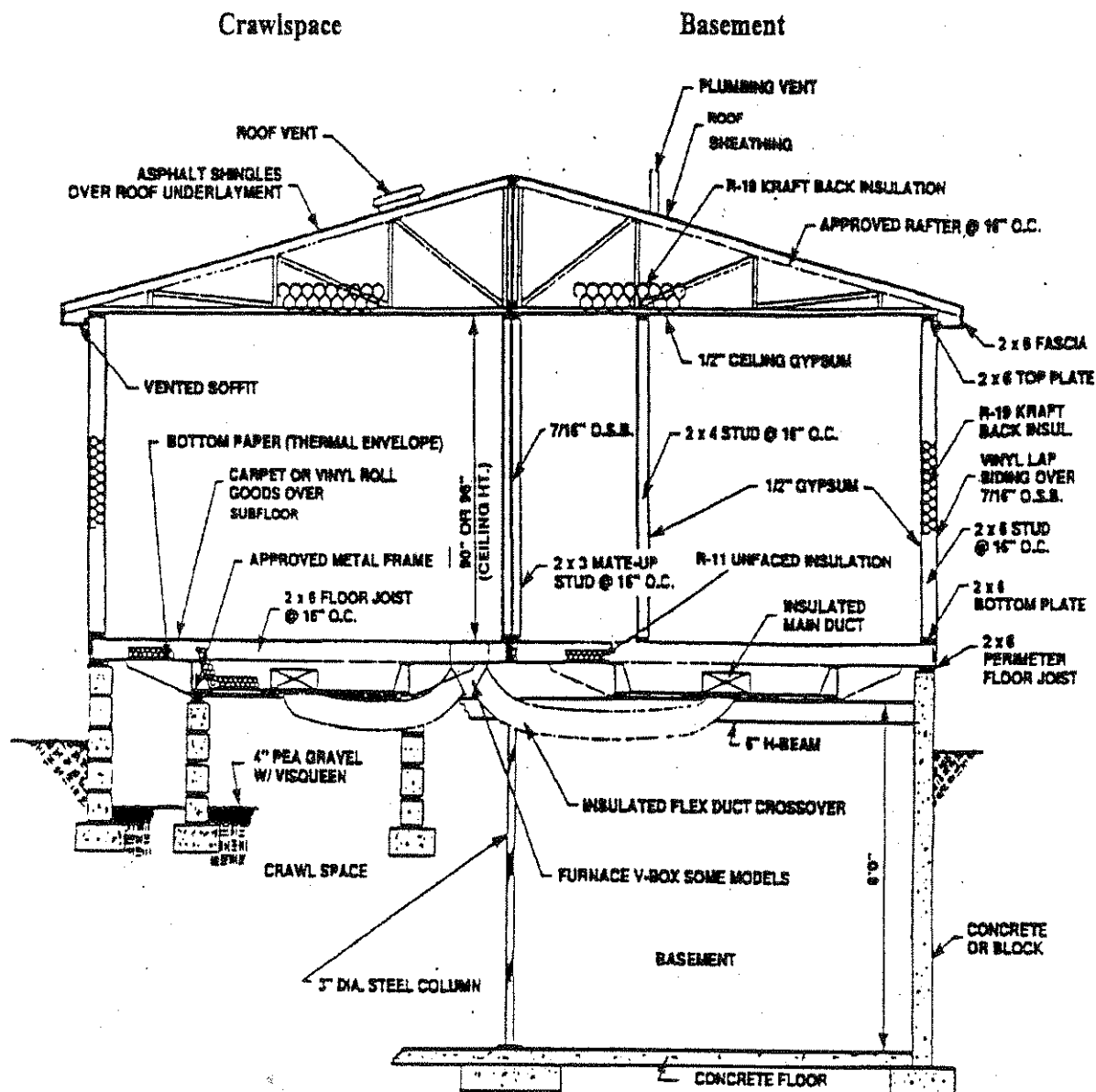
**Prepared By:
School of Architecture/Building Research Council
University of Illinois at Urbana-Champaign
Champaign, Illinois**

September 1996

This manual is available in it's entirety online:

www.huduser.org/Publications/PDF/foundation_guide_complete.pdf

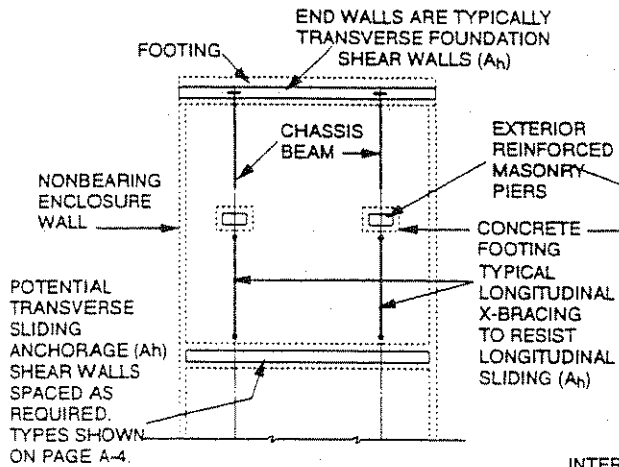
Figure 2-8
Typical Cross-section And Foundation of a Manufactured Home Placed on a Permanent Foundation



Excerpt from: Illinois Department of Health
Guidelines for Installing Manufactured Homes in IL 2002

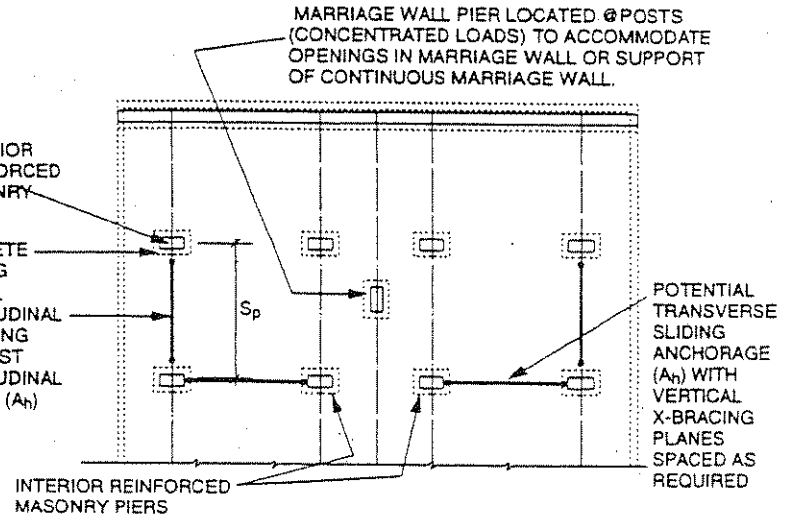
FOUNDATION TYPE Reinforced masonry or concrete piers	SYSTEM NUMBER C2
SUPERSTRUCTURE TYPE Chassis supported single- and multi-wide	

SINGLE-WIDE

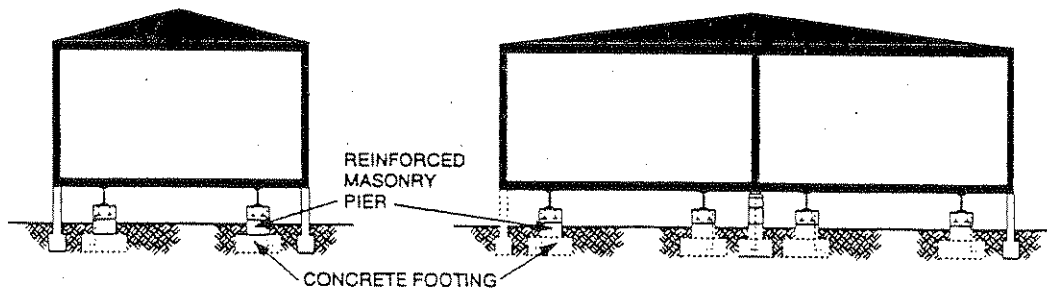


FOUNDATION PLAN

MULTI-WIDE



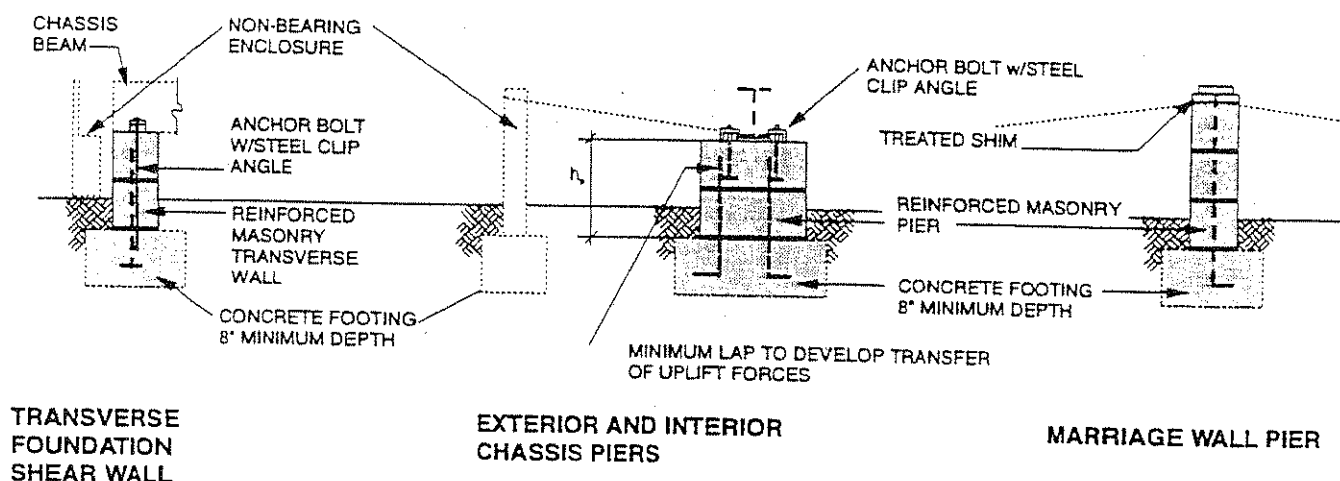
FOUNDATION PLAN



BUILDING SECTION

BUILDING SECTION

FOUNDATION TYPE Reinforced masonry or concrete piers	SYSTEM NUMBER C2
SUPERSTRUCTURE TYPE Chassis supported single- and multi-wide	



C2

TABLES

Use C tables for required effective footing area (A_{Hf}) for single-wide and multi-wide units.
 Use Cnw tables if there are no marriage wall piers.
 Use C tables for vertical anchorage (A_v).
 Use C, E, I tables for transverse and longitudinal sliding anchorage (A_h) for single-wide and multi-wide units.

REGIONAL APPLICATIONS

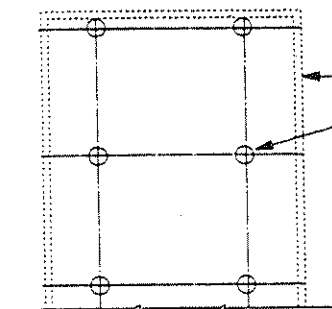
1. Suitable for all seismic zones with proper footing size and depth.
2. Suitable for all wind regions with proper footing size and depth.
3. Suitable in areas with high frost penetration with proper footing depth.

NOTES

1. Chassis may be anchored to resist overturning and uplift either with anchor bolt with clamps, as pictured, or weld plates as shown in system C3.
2. Horizontal sliding in the transverse direction can be resisted by foundation shear walls as shown, or alternately by several x-bracing options shown in Figures 6-4 and 6-10.
3. Horizontal sliding in the longitudinal direction is best accommodated with pairs of x-bracing as shown in Figures 6-6 and 6-11.
4. Design details for items 2 and 3 shall be prepared by a registered engineer.

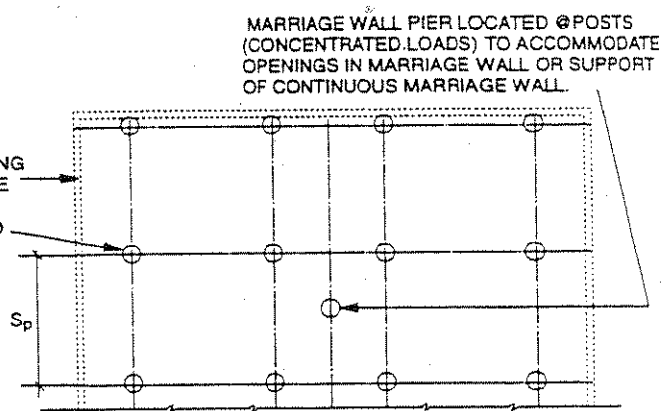
FOUNDATION TYPE Isolated deep piers	SYSTEM NUMBER C3
SUPERSTRUCTURE TYPE Chassis supported single- and multi-wide	

SINGLE-WIDE

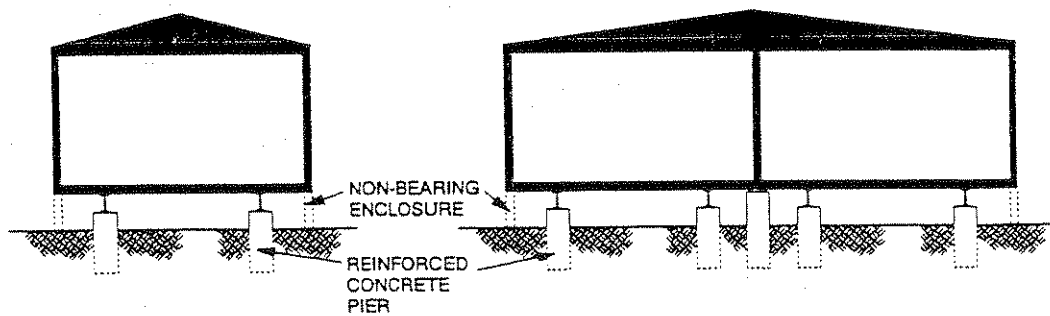


FOUNDATION PLAN

MULTI-WIDE



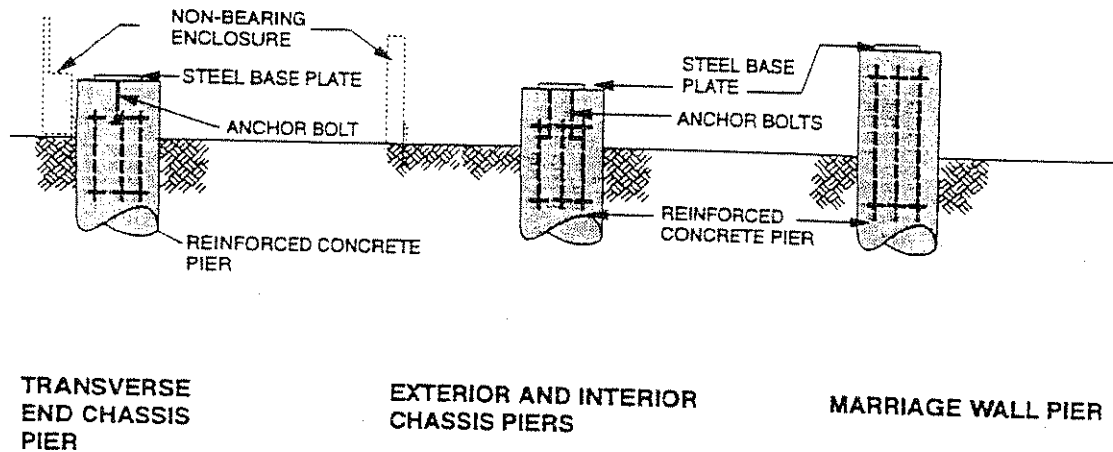
FOUNDATION PLAN



BUILDING SECTION

BUILDING SECTION

FOUNDATION TYPE Isolated deep piers	SYSTEM NUMBER C3
SUPERSTRUCTURE TYPE Chassis supported single- and multi-wide	



C3

TABLES

Use C tables for required effective footing area (A_{ftg}) for single-wide and multi-wide units.
 Use Cnw tables if there are no marriage wall piers.
 Use C tables for vertical anchorage (A_v).
 Use C, E, I tables for transverse and longitudinal sliding anchorage (A_h) for single-wide and multi-wide units.

REGIONAL APPLICATIONS

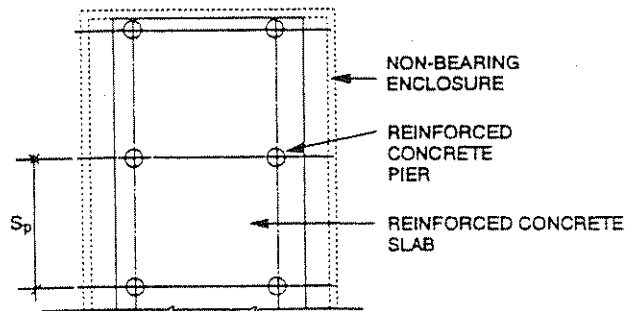
1. Suitable in permafrost conditions with non-insulated side enclosures.
2. Suitable in any wind or seismic region with proper design.
3. Suitable in areas with high frost penetration with proper footing depth.
4. Design of piers by registered architect or engineer required in all cases. Piers to resist horizontal sliding in transverse and longitudinal directions (A_h) by bending resistance and interaction with the soil.

ACCEPTABLE ALTERNATIVES

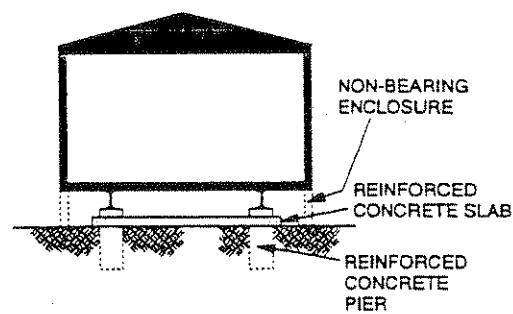
1. Chassis may be anchored either with weld plate as pictured, or anchor bolts with clamps as in system C2, as shown in system C3.

FOUNDATION TYPE Mat slab w/ isolated piers	SYSTEM NUMBER C4
SUPERSTRUCTURE TYPE Chassis supported single-wide	

SINGLE-WIDE

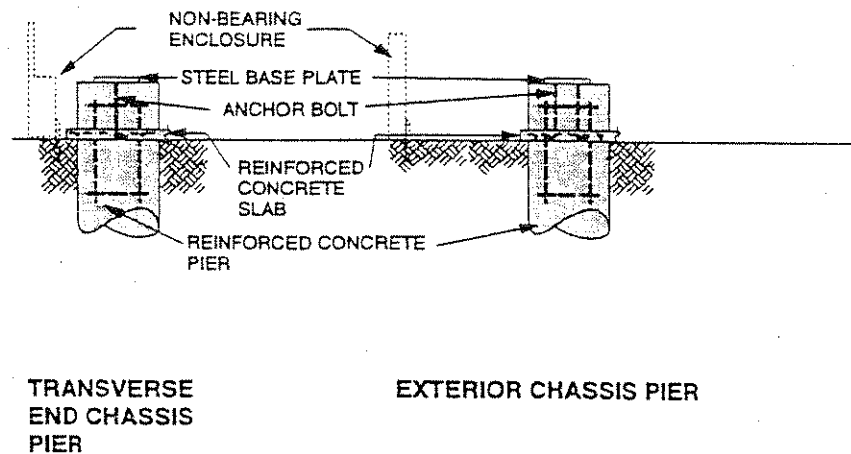


FOUNDATION PLAN



BUILDING SECTION

FOUNDATION TYPE Mat slab w/ isolated piers	SYSTEM NUMBER C4
SUPERSTRUCTURE TYPE Chassis supported single-wide	



C4

TABLES

Use C tables for required effective footing area (A_{ftg}) for single-wide and multi-wide units.
 Use Cnw tables if there are no marriage wall piers.
 Use C tables for vertical anchorage (A_v).
 Use C, E, I tables for transverse and longitudinal sliding anchorage (A_h) for single-wide and multi-wide units.

REGIONAL APPLICATIONS

1. Useful in poor soil conditions with proper design by registered architect or engineer.
2. Suitable in any wind or seismic region with proper design.
3. Suitable in areas with high frost penetration with proper footing depth.
4. Design by registered architect or engineer required in all cases.

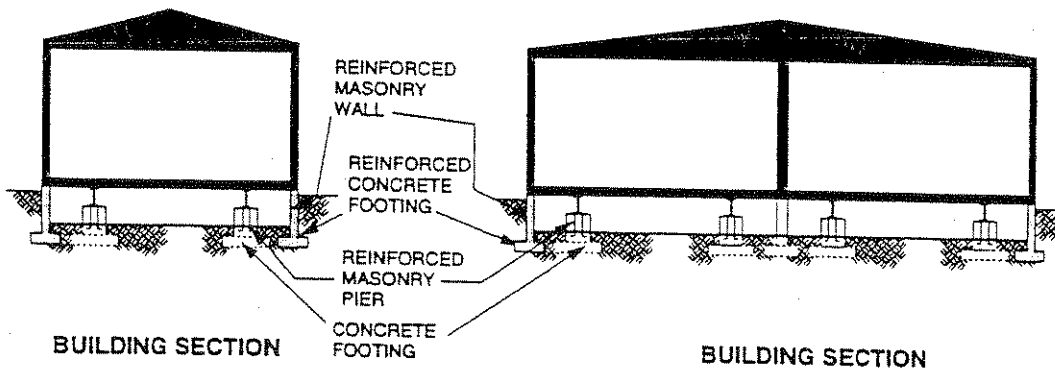
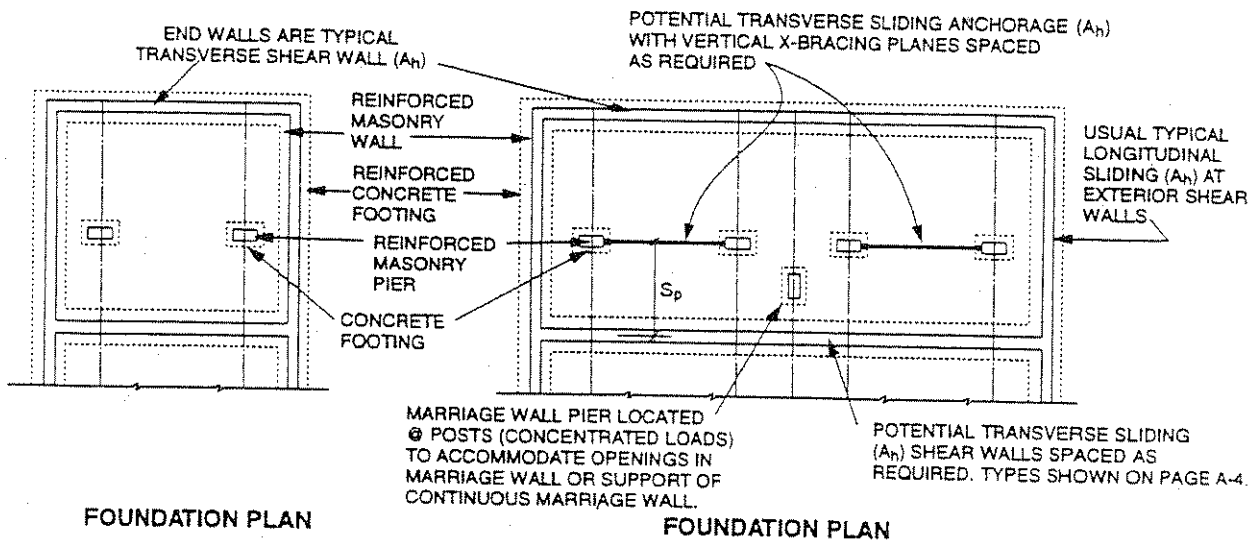
ACCEPTABLE ALTERNATIVES

1. Chassis may be anchored either with weld plate as pictured, or anchor bolts with clamps as in system C2.

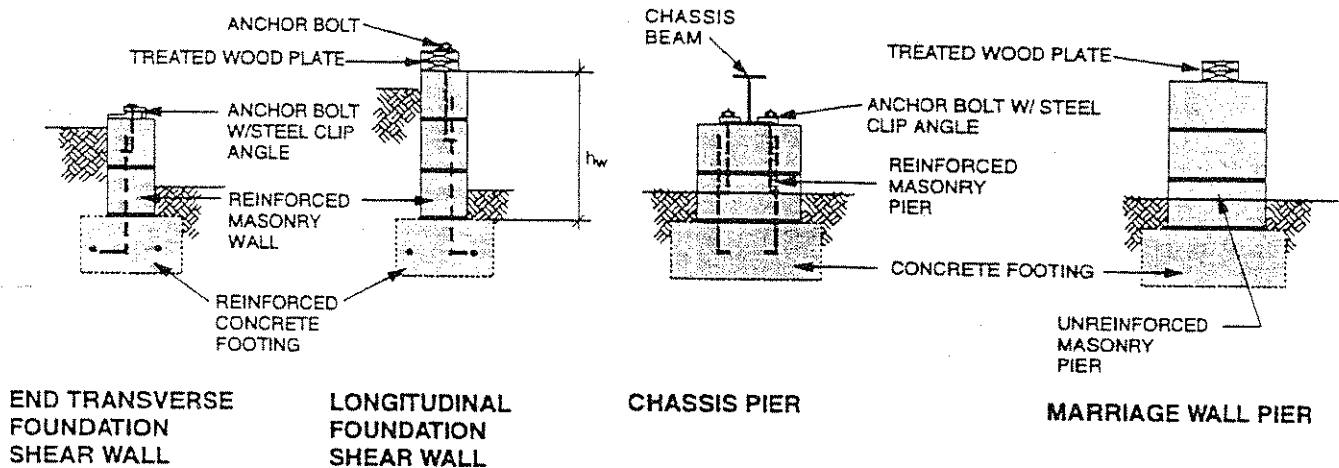
FOUNDATION TYPE	SYSTEM NUMBER E3
Reinforced masonry or concrete perimeter walls and piers	
SUPERSTRUCTURE TYPE	
Exterior and chassis anchored single- or multi-wide	

SINGLE-WIDE

MULTI-WIDE



FOUNDATION TYPE Reinforced masonry or concrete perimeter walls and piers	SYSTEM NUMBER E3
SUPERSTRUCTURE TYPE Exterior and chassis anchored single- and multi-wide	



E3

TABLES

Use type E, I tables for required effective footing area (A_{ftg}) for single-wide and multi-wide units.
 For vertical anchorage (A_v) for single-wide units use Type E3 table.
 For vertical anchorage (A_v) for multi-wide units use Type E and apply magnitude at exterior pier, and also to interior pier.
 Use type C, E, I tables for transverse and longitudinal sliding anchorage (A_h) for single-wide and multi-wide units.

REGIONAL APPLICATIONS

1. Suitable in all wind and seismic regions under "normal" soil conditions. Reinforced piers required for seismic areas $A_v = 0.3$ and 0.4 .
2. Suitable in areas with high frost penetration.

ACCEPTABLE ALTERNATIVES

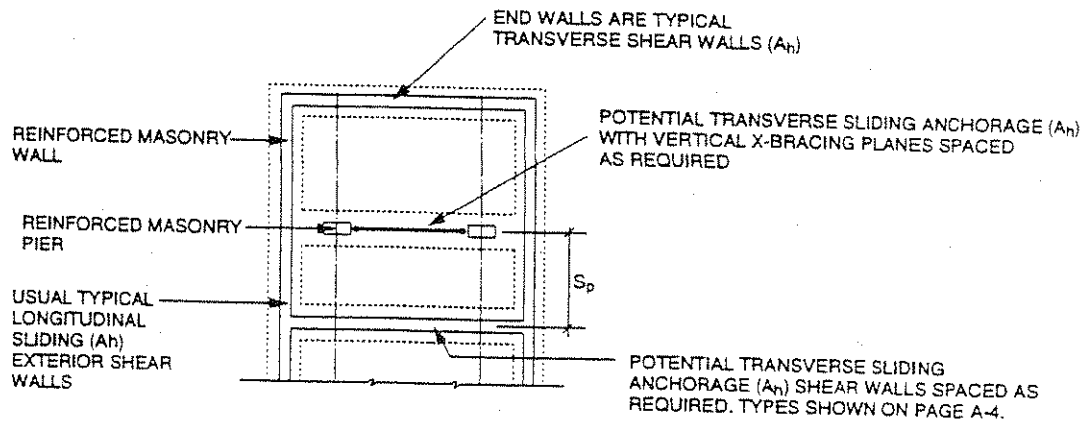
1. Chassis beam may be anchored with weld plates as pictured in system C3.

NOTES

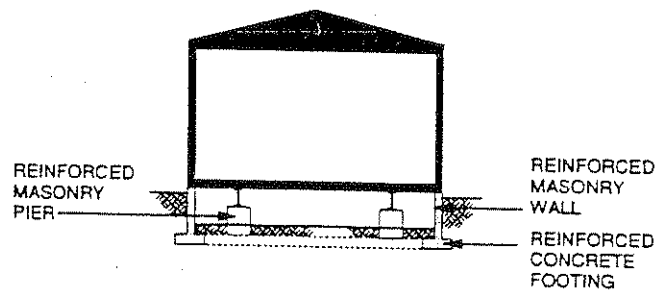
1. Anchor bolts and clip angles are required at interior and exterior piers.
2. Horizontal sliding in the longitudinal direction is best accommodated by the exterior walls as shear walls.
3. Horizontal sliding in the transverse direction can be resisted by foundation shear walls as shown, or alternately by several x-bracing options shown in Figures 6-4 and 6-10.

FOUNDATION TYPE Reinforced masonry perimeter walls and piers w/transverse footings	SYSTEM NUMBER E4
SUPERSTRUCTURE TYPE Chassis supported single-wide	

SINGLE-WIDE

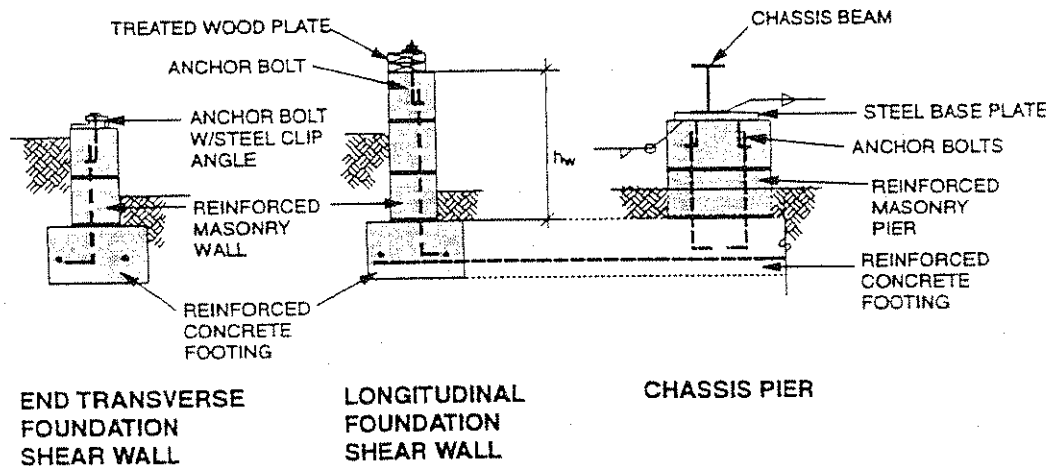


FOUNDATION PLAN



BUILDING SECTION

FOUNDATION TYPE Reinforced masonry perimeter walls and piers w/transverse footings	SYSTEM NUMBER E4
SUPERSTRUCTURE TYPE Chassis supported single-wide	



E4

TABLES

Use type E, I tables for required effective footing area (A_{H0}) for single-wide units.
 For vertical anchorage (A_v) for single-wide units use Type E table.
 Use type C, E, I tables for transverse and longitudinal sliding anchorage (A_h) for single-wide units.

REGIONAL APPLICATIONS

1. Suitable in all wind and seismic zones under "normal" soil conditions. Reinforced piers required for seismic areas with $A_v = 0.3$ and 0.4 .
2. Suitable in problem soils with proper design by registered architect or engineer.
3. Suitable in areas with high frost penetration with proper footing depth.

ACCEPTABLE ALTERNATIVES

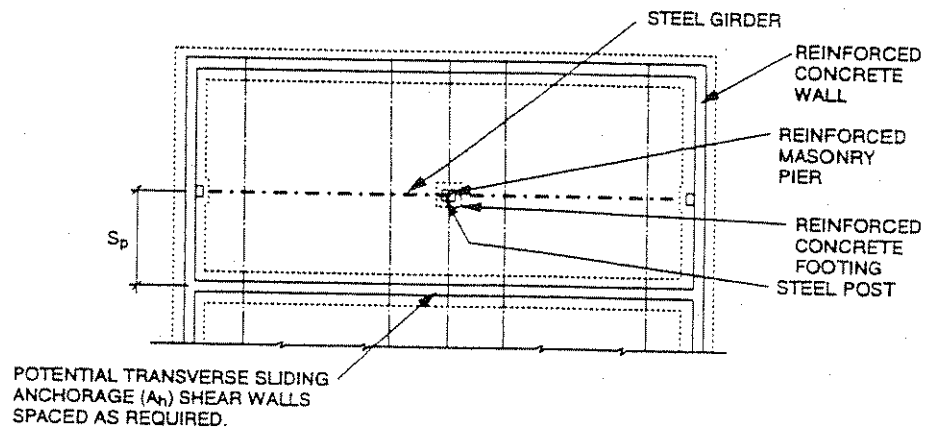
1. Continuous longitudinal footings at piers.
2. Anchor bolts with clamps instead of weld plates.

NOTES

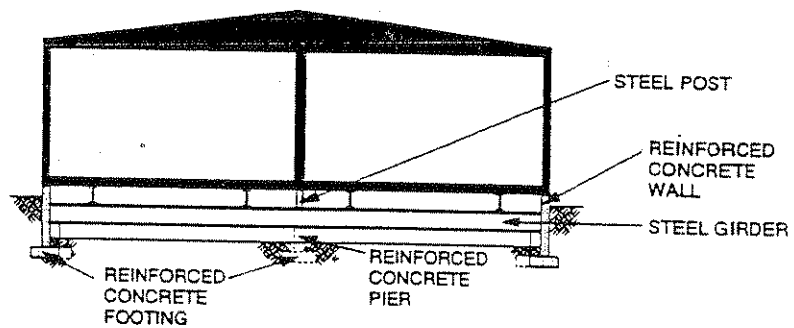
1. Steel base plate optional. If used to provide an additional factor of safety, use A_v divided by 2 to determine the footing size and reinforcing for withdrawal capacity.
2. Horizontal sliding in the longitudinal direction is best accommodated by the exterior walls as shear walls.
3. Horizontal sliding in the transverse direction can be resisted by foundation shear walls as shown, or alternately by several x-bracing options shown in Figures 6-4 and 6-10.

FOUNDATION TYPE Reinforced concrete perimeter foundation wall w/ transverse steel girders	SYSTEM NUMBER E5
SUPERSTRUCTURE TYPE Exterior and chassis anchored multi-wide	

MULTI-WIDE

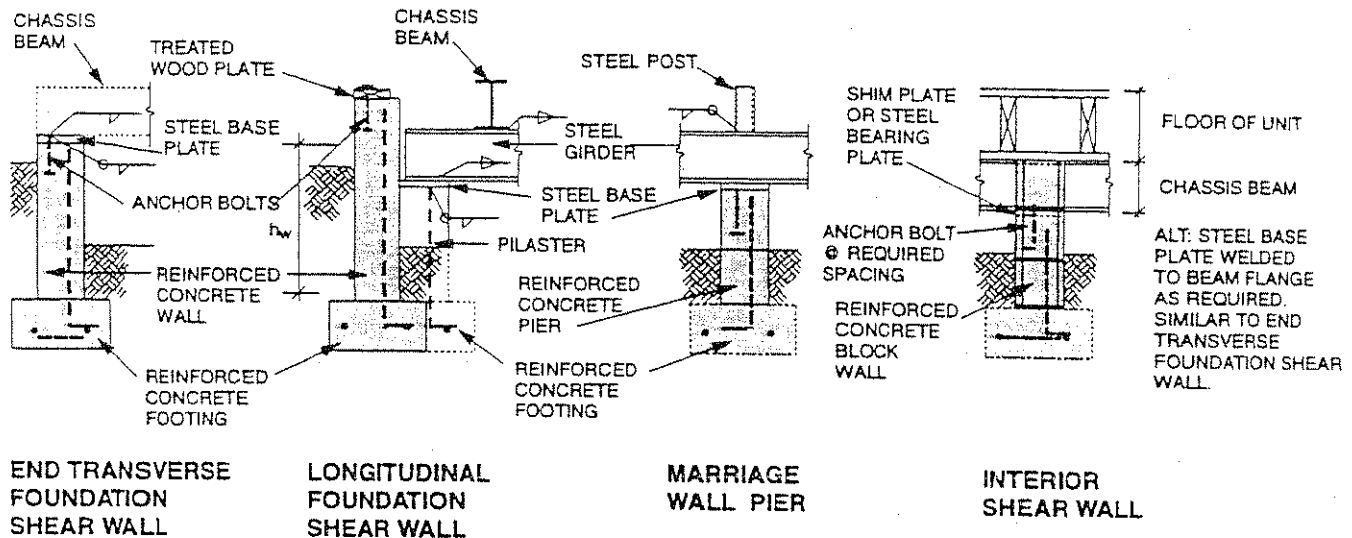


FOUNDATION PLAN



BUILDING SECTION

FOUNDATION TYPE Reinforced concrete perimeter foundation wall w/transverse steel girders	SYSTEM NUMBER E5
SUPERSTRUCTURE TYPE Exterior and chassis anchored multi-wide	



E5

TABLES

Use multi-wide type E5 tables for required effective pier footing area (A_{ftg}) and exterior wall footing width (A_{ftg}).

Use multi-wide type E tables for vertical anchorage (A_v).

Use multi-wide type C, E, I tables for horizontal anchorage (A_h) due to sliding in the transverse end longitudinal direction.

REGIONAL APPLICATIONS

1. Suitable in high wind and seismic regions under "normal" soil conditions.
2. Suitable in areas with high frost penetration with proper footing depth.

ACCEPTABLE ALTERNATIVES

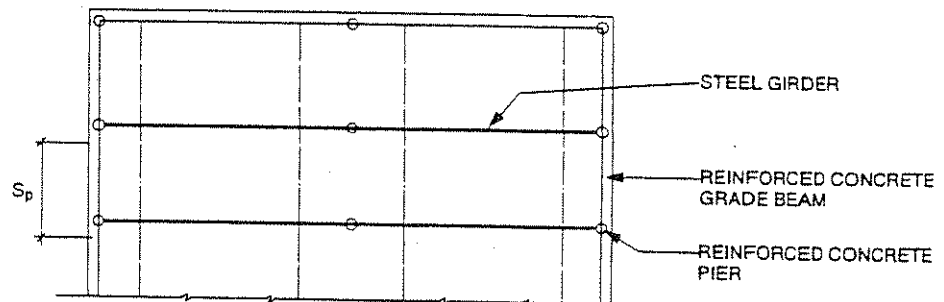
1. Reinforced concrete block acceptable though coursing may be difficult to resolve.

NOTES

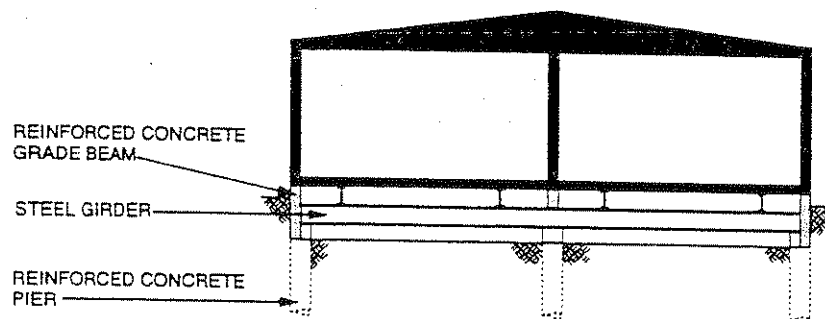
1. Horizontal sliding in the longitudinal direction is best accommodated at the exterior foundation walls.
2. Horizontal sliding in the transverse direction is best handled by reinforced poured concrete or concrete block shear walls @ end of unit and at interior locations as required. See details above.
3. Transverse girders to be designed by licensed professional.

FOUNDATION TYPE Perimeter concrete grade beam on deep piers w/ transverse steel girders	SYSTEM NUMBER E6
SUPERSTRUCTURE TYPE Chassis supported multi-wide	

MULTI-WIDE

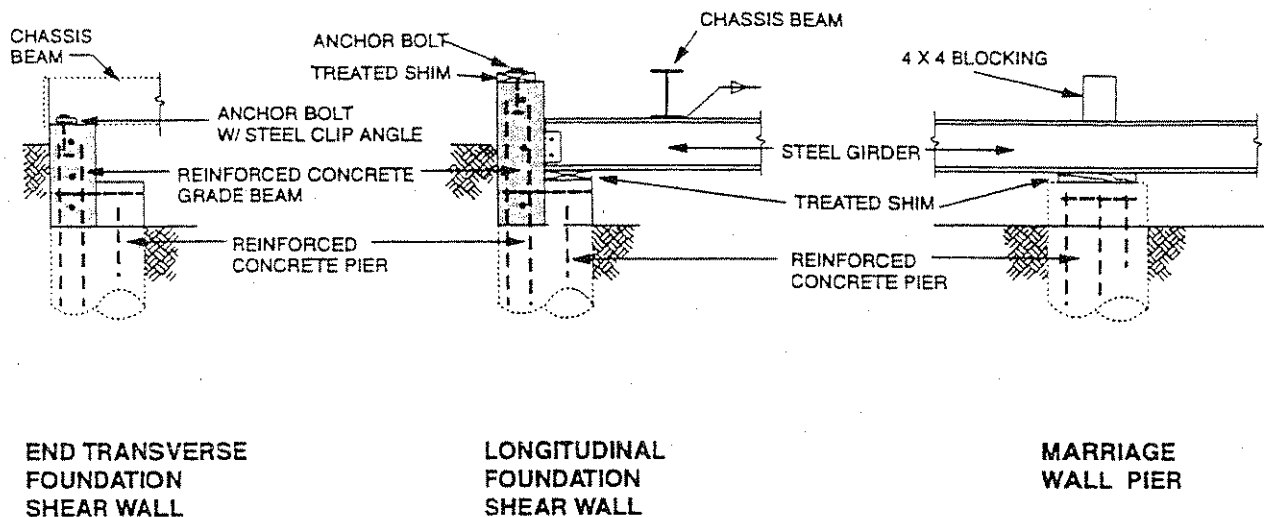


FOUNDATION PLAN



BUILDING SECTION

FOUNDATION TYPE Perimeter concrete grade beam on deep piers w/ transverse steel girders	SYSTEM NUMBER E6
SUPERSTRUCTURE TYPE Chassis supported multi-wide	



E6

TABLES

Use multi-wide type E5 tables for required effective pier footing area (A_{fg}) and exterior wall footing width (A_{fg}).

Use multi-wide type E tables for vertical anchorage (A_v).

Use multi-wide type C, E, I tables for horizontal anchorage (A_h) due to sliding in the transverse and longitudinal direction.

REGIONAL APPLICATIONS

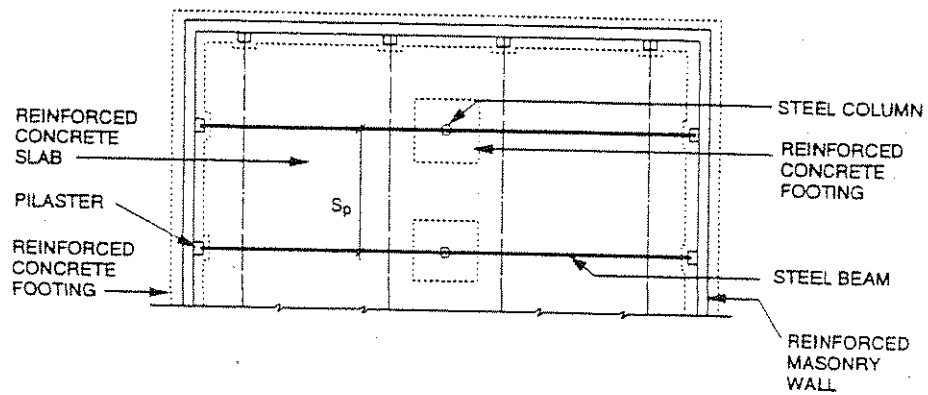
1. Suitable in high wind and seismic zones with proper design.
2. Suitable in high frost areas with proper location or design of bottom of grade beam.

NOTES

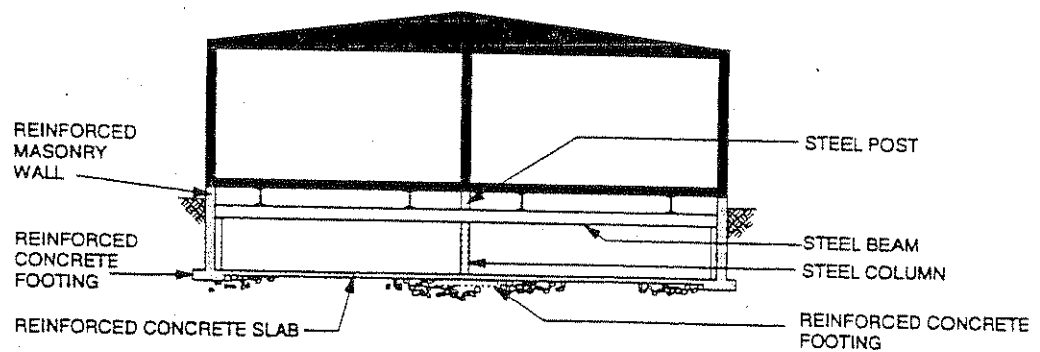
1. Requires design by registered architect or engineer in all cases.
2. Horizontal sliding anchorage (A_h) in the longitudinal direction is best accommodated at exterior grade beams with moment transfer to the deep piers and lateral soil bearing.
3. Horizontal sliding anchorage (A_h) in the transverse direction is best accommodated by transfer of the sliding force to the steel girders, to steel base plates (instead of treated shim) and then to the deep piers in bending and lateral soil bearing.

FOUNDATION TYPE	SYSTEM NUMBER E7
Reinforced masonry perimeter basement wall w/ transverse steel girders	
SUPERSTRUCTURE TYPE	
Exterior and chassis anchored multi-wide	

MULTI-WIDE

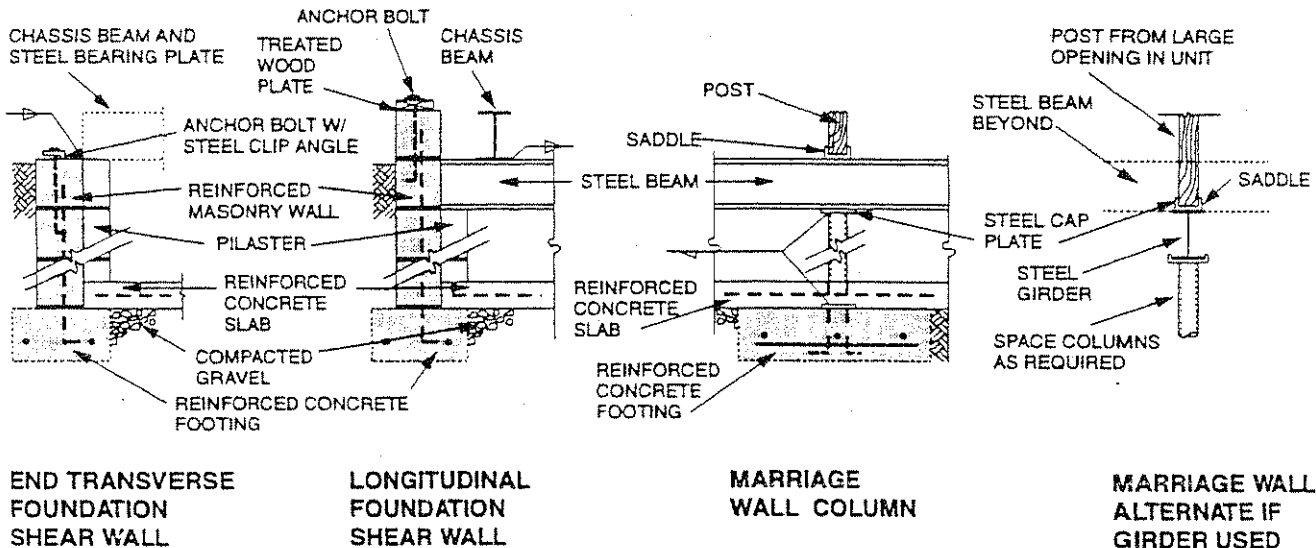


FOUNDATION PLAN



BUILDING SECTION

FOUNDATION TYPE Reinforced masonry perimeter basement wall w/transverse steel girders	SYSTEM NUMBER E7
SUPERSTRUCTURE TYPE Exterior and chassis anchored multi-wide	



E7

TABLES

Use multi-wide type E7 tables for required effective pier footing area (A_{H9}) and exterior wall footing width (A_{H9}).
 Use multi-wide type E tables for vertical anchorage (A_v).
 Use multi-wide type C, E, I tables for horizontal anchorage (A_h) due to sliding in the transverse end longitudinal direction.
 Multiply (A_{H9}) by allowable soil bearing pressure to obtain column load in pounds.

REGIONAL APPLICATIONS

1. Suitable in high wind and seismic regions.
2. Suitable in areas with high frost penetration.

ACCEPTABLE ALTERNATIVES

1. Solid reinforced concrete walls.
2. Partially reinforced, grouted masonry wall, as required.
3. All-Weather-Wood walls anchored to spread concrete footing.
4. All-Weather-Wood walls on gravel base suitable in low wind and low seismic areas.

NOTES

1. Requires drain tile, granular backfill and moisture-proofing membrane for basement fill.
2. Requirements for reinforced concrete and masonry walls and All-Weather-Wood wall design based on local soil conditions. Requires engineered design.
3. Engineering design required if central steel girder desired under marriage wall and below steel transverse beams, to reduce number of basement columns. Footings will need to be resized as well. Central steel girder may also be required to carry posts from large openings along marriage wall. See detail above. Use multi-section C tables to obtain marriage wall post location required effective footing area (A_{H9}). Divide (A_{H9}) by the allowable soil pressure and subtract the marriage wall pier weight used to obtain the post load in pounds for design of the girder.
4. Horizontal sliding anchorage force (A_h) in the longitudinal direction is best accommodated by the exterior longitudinal walls.
5. Horizontal sliding anchorage force (A_h) in the transverse direction is best accommodated by the transfer from the chassis beams anchored and bearing on the perimeter pilasters. The horizontal force thus is resisted by the passive soil pressure. Engineering design is required to base design on existing soil conditions.

SECTION 3: MANUFACTURED HOMES [7 CFR 3550.73]

9.16 AUTHORIZED LOAN PURPOSES

A. Definition

Manufactured homes are built to different construction standards and codes and have different inspection requirements than those manufactured structures generally referred to as “modular” or “panelized” homes. The major difference between manufactured homes and modular or panelized homes is the construction standard or code to which they are built and the inspection requirements. Modular or panelized homes, as described in Exhibit B of RD Instruction 1924-A, are not affected by the requirements of this section.



B. Authorized Loan Purposes

When a real estate mortgage or deed of trust covers the unit *and* the site, Section 502 loans may be used to finance the following:

- Site development work that conforms to the requirements of RD Instruction 1924-A;
- Purchase of an eligible new unit, transportation and set-up costs, and purchase of an eligible site if not already owned by the applicant;
- Subsequent loans for equity or repair in conjunction with an assumption or Real Estate Owned (REO) sale; and
- Subsequent loans for repair of units that are financed with Section 502 loans.



C. Loan Restrictions

The Agency will not use Section 502 loan funds to finance:

- The purchase of an existing unit and site, unless the property is already financed with a Section 502 loan or is Agency REO property;
- The purchase of a site without also financing the unit;
- A unit that does not meet Federal Manufactured Home Construction and Safety Standards (FMHCSS);



- A unit that does not meet the Agency's Thermal Performance Standards as set forth in RD Instruction 1924-A, for the winter degree day zone where the unit will be located;
- Alteration or remodeling of the unit when the initial loan is made, unless repairs are needed in conjunction with an assumption or REO sale;
- Repairs not associated with a transfer, REO sale, or unit that is already financed with a Section 502 loan;
- Existing debt owed by the applicant; or
- Furniture, including movable articles of personal property such as drapes, beds, bedding, chairs, sofas, divans, lamps, tables, televisions, radios, stereo sets, and other similar items of personal property (furniture does not include wall-to-wall carpeting, refrigerators, ovens, ranges, washing machines, clothes dryers, heating or cooling equipment, or other similar equipment).



9.17 DEALER-CONTRACTOR REQUIREMENTS

No loans will be made on a manufactured home sold or serviced by any entity that is not an approved dealer-contractor. Once the applicant has submitted the name of the selected dealer-contractor, the Loan Originator should check the State Office's list of approved dealer-contractors. If the dealer-contractor is approved, the Loan Originator should send the applicant the Agency's list of approved models, as well as a list of what information must be submitted to the Agency for review and approval.

If the dealer-contractor is not approved, the Loan Originator should offer the applicant the opportunity to select another dealer-contractor who is on the approved list, or to request that the Loan Originator inform the dealer-contractor about the Agency's procedures for approval.

An entity may apply to become an approved dealer-contractor by submitting *Form RD 1944-5, Manufactured Housing Dealer-Contractor Application*, credit reports and supplementary data sources, such as financial statements and tax returns should be used to verify or determine employment, income, held assets and credit history. To qualify to participate, a dealer-contractor must be: (1) financially responsible; (2) qualified and equipped to set up the unit on a site-built permanent foundation and develop the site; and (3) willing to provide a warranty acceptable to the Agency.

Paragraph 9.17 Dealer-Contractor Requirements

The evaluation of applications for dealer-contractor status involves a joint effort by Loan Originators, Loan Approval Officials, and State Directors.

When evaluating these applications, the Loan Originator should perform the following tasks.

- Maintain an operational file for each dealer-contractor who submits *Form RD 1944-5* and a certified financial statement.
- Obtain a commercial credit report on the firm and consumer credit reports on each of the principals.
- Make direct checks on trade and bank references and check with the local Better Business Bureau.
- Inspect the dealer's place of business to determine its permanency and the adequacy of available equipment.
- Obtain copies of brochures, descriptive literature, guarantees, sales contracts, and price lists.
- Determine that the dealer-contractor has the necessary equipment and experience to perform or subcontract all site development work. If the firm uses subcontractors, obtain the names of the subcontractors and their qualifications. A field inspection of recently-developed sites and set-ups is desirable in determining whether the dealer-contractor has the necessary experience.
- Carefully analyze the collected information to determine if the dealer-contractor is able to provide the full service of sales, service, erection, and warranty of manufactured units and developing sites for them. Based on this analysis, the Loan Originator should develop a recommendation with supporting documentation as to whether or not the dealer-contractor is acceptable.
- If necessary, the Loan Originator should maintain a complaint file to establish a basis for limiting future business with the dealer-contractor.

The Loan Approval Official should review the Loan Originator's recommendations and forward them, with any additional comments, to the State Director for review.

The State Director will make the decision on the dealer-contractor's acceptability and, if applicable, issue a letter of acceptance. The State Director also will issue a list of acceptable dealer-contractors in the State. If the State Director determines that the dealer-contractor is not acceptable, appeal rights will be granted. Any dealer-contractor determined to be unacceptable may reapply for acceptance at any time the dealer-contractor has reason to believe the conditions leading to the determination have been removed.

9.18 PROCESSING PROCEDURES

A. Submission Requirements

In addition to the documents required for a standard Section 502 loan, the applicant must submit the following before the loan can be approved:

- A plot plan and site development plan as described under RD Instruction 1924-A;
- An itemized cost breakdown of the total package, including the base unit, eligible options, site development, installation, set up, lot costs, and any credit for wheels and axles;
- A statement signed by the dealer-contractor indicating that any cash payment or rebate as a result of the purchase will be deducted from the price of the unit and not paid to the applicant; and
- A statement signed by the dealer-contractor that the proposed cost is the full price of the unit and all development activities, and if furniture is being purchased by the applicant with other funds, that a lien will not be filed against the Agency's security property.



B. Appraisal Techniques

The site and unit must be appraised before loan approval, using normal single family residential appraisal techniques. Since other manufactured units and sites provide the most similar comparables, every effort must be made to obtain such comparables, even if their distance from the subject property is greater than preferred. If units are not available within a reasonable distance, the appraiser may use homes other than manufactured homes, after adjusting for factors such as location, construction material, size, and quality.

The appraiser will use Marshall and Swift cost data for average-construction manufactured housing to determine the appraised value using the cost approach. The National Office may authorize the use of an alternate cost method. For more information on appraisals, see Section 5 of Chapter 5.



C. Loan Rates and Terms

The interest rates for manufactured homes are the same as for other real estate loans made with Section 502 loan funds, but the maximum loan term is 30 years. Applicants for Section 502 loans on manufactured homes may receive payment subsidy, if they are eligible.

9.19 CONSTRUCTION AND SITE REQUIREMENTS

The unit must meet the requirements for new dwellings contained in Section 2 of Chapter 5 and must have a floor area of 400 square feet or more, and a width of 12 feet or more for a single-wide unit, and 20 feet or more for a double-wide unit. In addition, the unit must meet the Agency's Thermal Performance Standards as set forth in RD Instruction 1924-A, for the winter degree day zone where the unit will be located. Finally, site development and set up must conform to Exhibit J of RD Instruction 1924-A, and the environmental requirements of RD Instruction 1940-G must be met. Development under the Mutual Self-Help and borrower construction methods is not permitted for manufactured homes.



9.20 LOAN CLOSING

In general, loan closing procedures are the same whether the Section 502 loan is made for the purchase of a manufactured home or another type of single family home. However, the Loan Originator should be aware of the following requirements.

A. Contract Requirements

The dealer-contractor must sign *Form RD 1924-6, Construction Contract*, which will cover both the unit and site development work. Multiple contracts are prohibited, but a dealer-contractor may use subcontractors if the dealer-contractor remains solely responsible for all work under the contract. Payment for all work will be made in accordance with *Form RD 1924-6* and RD Instruction 1924-A, except that no payment will be made for materials or property stored on site (for example, payment for a unit will be made only after it is permanently attached to the foundation).



B. Lien Release Requirements

All firms furnishing materials or labor in connection with the contract must sign *Form RD 1924-10, Release by Claimants*, except for the manufacturer of the unit. The manufacturer of the unit must furnish an executed manufacturer's certificate of origin indicating that the unit is free and clear of all legal encumbrances. *Form RD 1924-10* and the manufacturer's certificate of origin should be filed in the case file.

C. Warranty Requirement

A dealer-contractor must provide the borrower with a warranty in accordance with the provisions of RD Instruction 1924-A. The warranty must identify the unit by serial number. The dealer-contractor must certify that the unit substantially complies with the plans and specifications, and the home has sustained no hidden damage during transportation. If the home was manufactured in separate sections, the dealer-contractor also should certify that the sections were properly joined and sealed according to the manufacturer's specifications. The dealer-contractor must furnish the applicant with a copy of all manufacturer's warranties.



D. Real Estate Tax Requirement

Whether manufactured homes are considered personal or real property may vary state-to-state. When the loan closes, the unit and site must be taxed as real estate by the jurisdiction in which it is located, if such taxation is permitted under applicable law.



MANUFACTURED HOME SITES, RENTAL PROJECTS AND SUBDIVISIONS:
DEVELOPMENT, INSTALLATION AND SET-UP

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MANUFACTURED HOME SITES, RENTAL PROJECTS AND SUBDIVISIONS:
DEVELOPMENT, INSTALLATION AND SET-UP

PART A - INTRODUCTION

I. Purpose and Scope. This Exhibit describes and identifies acceptable site development, installation and set-up practices and concepts for manufactured homes. It is intended for Rural Development field personnel, builders, developers, sponsors, and others participating in Rural Development housing programs.

This Exhibit applies to all manufactured homes (except those referenced in Exhibit B of this subpart) on scattered sites or in rental projects and subdivisions and covers the requirements for design and construction of manufactured home communities. Rural Development may approve alternatives or substitutes if it finds the proposed design satisfactory for the proposed use, and if the materials, installation, device, arrangement, or method of work is at least equivalent to that prescribed in this Exhibit considering quality, strength, effectiveness, durability, safety and protection of life and health.

Rural Development will require satisfactory evidence to be submitted to substantiate claims made regarding the use of any proposed alternative.

II. Background. Rural Development has authority to make (1) Section 502 Rural Housing (RH) loans with respect to manufactured homes and lots, and (2) Section 515 Rural Rental Housing (RRH) loans with respect to manufactured home rental projects.

The manufactured home must be constructed in conformance with the Federal Manufactured Home Construction and Safety Standard (FMHCSS) and be permanently attached to a site-built permanent foundation which meets or exceeds the Minimum Property Standards (MPS) for One- and Two-Family Dwellings or Model Building Codes acceptable to Rural Development. The manufactured home must be permanently attached to that foundation by anchoring devices adequate to resist all loads identified in the MPS. This includes resistance to ground movements, seismic shaking, potential shearing, overturning and uplift loads caused by wind. Note that anchoring straps or cables affixed to ground anchors other than footings will not meet these requirements.

Subpart G of Part 1940 of this chapter applies on scattered sites, in subdivisions and rental projects to the development, installation and set-up of manufactured homes. To determine the level of environmental analysis required for a particular application, each manufactured home or lot involved shall be considered as equivalent to one housing unit or lot as these terms are used in §§1940.310-.312 as well as in any other sections of Subpart G of Part 1940 of this chapter. The implementation of Rural Development environmental policies and the consideration of important land use impacts are of particular relevance in the review of proposed manufactured home sites and in achieving

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the two purposes highlighted below. Because the development, installation and set-up of manufactured home communities, including scattered sites, rental projects, and subdivisions, differ in some requirements from conventional site and subdivision development, two of the purposes of this Exhibit are to:

- A. Encourage economical and orderly development of such communities and nearby areas, and
- B. Promote the safety and health of residents of such communities.

Therefore, this Exhibit identifies those required standards and regulations and suggested guidelines for eliminating and preventing health and safety hazards and promoting the economical and orderly development and utilization of land for planning and development of manufactured home communities. The Exhibit also provides the requirements for meeting the following:

- A. Resistance to Wind. Foundations and anchorages shall be designed to resist wind forces specified in American National Standards Institute (ANSI) A-58.1-1982 for the geographic area in which the manufactured home will be sited;
- B. Proper Installation. The manufacturer's installation instructions provided with each manufactured home shall contain instructions for at least one site-built foundation with interior and/or perimeter supports. Rural Development field office personnel shall review to determine its adequacy as security for an Rural Development loan only, the foundation design concept for compliance with this Exhibit, the Rural Development/MPS and any Model Building Code acceptable to Rural Development in that particular geographic area; and
- C. Proper Foundation Design. Manufactured homes shall be installed on a foundation system which is designed and constructed to sustain, within allowable stress and settlement limitations, all applicable loads. Any foundation and anchorage system or method of construction to be used should be analyzed in accordance with well-established principles of mechanics and structural engineering.

III. Definitions. For the purpose of this Exhibit the following definitions apply:

Accessory Building or Structure. A subordinate building or structure which is an addition to or supplements the facilities provided by a manufactured home.

Anchoring Systems. An approved system for securing the manufactured home to the ground or foundation system that will, when properly designed and installed, resist overturning and lateral movement of the home from wind forces.

Contiguous. Sharing a boundary, adjoining or adjacent. A lot or subdivision is considered to be contiguous to other lots or subdivisions if it is adjoining, touching or adjacent.

Federal Manufactured Home Construction and Safety Standards (FMHLCSS). A 1976 federal standard, commonly known as the HUD Standard, for the construction, design and performance of a manufactured home which meets the needs of the public including the need for quality, durability and safety. Units conforming to the FMHLCSS are certified by an affixed label that reads as follows:

AS EVIDENCED BY THIS LABEL NO. _____
THE MANUFACTURER CERTIFIES TO THE BEST OF THE
MANUFACTURER'S KNOWLEDGE AND BELIEF THAT THIS
MANUFACTURED HOME HAS BEEN INSPECTED IN
ACCORDANCE WITH THE REQUIREMENTS OF THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND
IS CONSTRUCTED IN CONFORMANCE WITH THE FEDERAL
MANUFACTURED HOME CONSTRUCTION AND SAFETY
STANDARDS IN EFFECT ON THE DATE OF MANUFACTURE.
SEE DATA PLATE.

Manufactured Home. A structure which is built to the Federal Manufactured Home Construction and Safety Standards and Rural Development's thermal requirements. It is transportable in one or more sections, which in the traveling mode is ten body feet or more in width, and when erected on site is four hundred or more square feet, and which is built on a permanent foundation when connected to the required utilities. It is designed and constructed for permanent occupancy by a single family and contains permanent eating, cooking, sleeping and sanitary facilities. The plumbing, heating, and electrical systems are contained in the structure.

Manufactured Home Community. A parcel or contiguous parcels of land which contains two or more manufactured home sites available to the general public for occupancy. Sites and units may be for rent, or sites may be sold for residential occupancy (as in a subdivision).

Manufactured Home Rental Project. A parcel or multiple parcels of land which have been so designated and improved to contain manufactured homes with sites available for rent.

Manufactured Home Site. A designated parcel of land in a manufactured home rental project, subdivision or scattered site designed for the accommodation of a unit and its accessory structures for the exclusive use of the occupant.

Manufactured Home Subdivisions. Five or more contiguous (developed or undeveloped) lots, or building sites that meet the requirements of Subpart C of Part 1924 of this chapter. (Revised 6-22-87, SPECIAL PN.)

Permanent Perimeter Enclosure. A permanent perimeter structural system completely enclosing the space between the floor joist of the manufactured home and the ground. If separate from the foundation system, the permanent perimeter enclosure shall be secured to the perimeter of the manufactured home, properly ventilated and accessible and constructed of materials that conform to the Rural Development adopted MPS requirements for foundations.

Pier Support System. Consists of footings, piers, caps, leveling spacers, or approved prefabricated load bearing devices.

Related Facilities. Any nonresidential structure or building used for rental housing related purposes as defined in §1944.205 of Subpart t of Part 1944 of this chapter. (Revised 2-25-88, SPECIAL PN)

Site-Built Permanent Foundation System. A foundation system (consisting of a combination of footings, piers, caps and shims and anchoring devices or required structural connections) which is designed and constructed to support the unit and sustain, within allowable stress and settlement limitations, all applicable loads specified in ANSI A58.1-1982. All loads shall be transferred from the manufactured home to the earth at a depth below the established frost line without exceeding the safe bearing capacity of the supporting soil.

Set-up. The work performed and operations involved in the placement of a manufactured home on a foundation system, to include installation of accessories or appurtenances and anchoring devices, and when local regulations permit, connection of utilities, but excluding preparation of the site.

IV. Compliance with Local Regulations. These requirements do not replace site development standards established by local law, ordinances, or regulations. Whenever such local standards contain more stringent provisions than any of the site development, installation and set-up minimums of Rural Development, the more stringent standards shall govern.

V. Applicable Standards, Regulations and Manuals.

A. Manufactured housing to be financed by Rural Development must comply with the following standards:

1. Federal Manufactured Home Construction and Safety Standards, 24 CFR Part 3280, mandated by Congress under Title VI of the Federal Housing and Community Development Act of 1974, except for §3280.506, "Heat Loss," of Subpart F, "Thermal Protection," to Part 3280.

2. Foundation requirements of the Minimum Property Standards as adopted by Rural Development or a Model Building Code acceptable to Rural Development.

3. [Reserved]

4. Uniform Federal Accessibility Standard (UFAS).

5. ANSI A58.1-1982, Minimum Design Loads for Buildings and Other Structures.

B. Manufactured housing to be financed by the Agency shall comply with all applicable RD regulations, including but not limited to the following:

1. Subpart C of part 1924 of this chapter "Planning and Performing Site Development Work." (Revised 6-22-87, SPECIAL PN.)

2. Subpart A of Part 1924, Exhibit D, Thermal Performance Construction Standards.

3. Subpart G of Part 1940, "Environmental Program."

4. 7 CFR part 3550, "Direct Single Family Housing Loans and Grants." (Revised 01-23-03, SPECIAL PN.)

5. Subpart E of Part 1944, "Rural Rental Housing Loan Policies, Procedures, and Authorizations."

The requirements of the above references have not been repeated in this Exhibit. Those requirements contained above are either mandatory or minimums and every effort should be made by the applicant, builder-developer or dealer-contractor to utilize higher standards, when appropriate.

PART B - CONSTRUCTION AND LAND DEVELOPMENT

I. General Acceptability Criteria. The following criteria apply to development on scattered sites, in subdivisions and in rental project communities.

A. A manufactured home development including a site, rental project or subdivision shall be located on property designated for that use, where designations exist, by the local jurisdiction.

B. Conditions of soil, ground water level, drainage, flooding and topography shall not create hazards to the property and health or safety of the residents.

C. The finished grade elevation beneath the manufactured home or the first floor elevation of the habitable space, whichever is lower, shall be above the 100-year return frequency flood elevation. This requirement applies wherever manufactured homes may be installed, not just in locations designated by the National Flood Insurance Program as areas of special flood hazards. The use of fill to accomplish this is a last resort. However, as stated in § 1940.304 of subpart G of Part 1940 of this chapter, it is the Agency's Policy not to approve or fund any proposal in a 100-year floodplain area unless there is no practicable alternative to such a floodplain location.

D. Essential service such as employment centers, shopping, schools, recreation areas, police and fire Protection, and garbage and trash removal shall be convenient to the development and any site, community, or subdivision must meet the environmental and location requirements contained in Subpart G of Part 1940 of this chapter.

E. Manufactured home sites, rental projects and subdivisions shall not be subject to any adverse influences of adjacent land uses. An adverse influence is considered as one that is out of the acceptable level or range of a recognizable standard or where no standard exists is considered a nuisance irrespective of a site being zoned for manufactured home use. Health, safety and aesthetic consequences of location shall be carefully assessed by inspection of the site prior to selection for development. Undesirable land uses such as deteriorated residential or commercial areas and noxious industrial properties shall be avoided to ensure compatibility. Other undesirable elements such as heavily traveled highways, airport runways, railroads, or fire hazards and other areas subject to recognizably intolerable noise levels shall be avoided.

F. The requirements for streets shall be those found in subpart C of Part 1924 of this chapter. (Revised 6-22-87, SPECIAL PN.)

G. The site design and development shall be in accordance with sound engineering and architectural practices and shall provide for all utilities in a manner which allows adequate, economic, safe, energy efficient and dependable systems with sufficient easements for their required installation and maintenance.

H. Utilities for each manufactured home site, rental housing project or subdivision shall be designed and installed in accordance with subpart C of Part 1924 of this chapter; and the State health authority having jurisdiction, and all local laws and regulations requiring approval prior to construction. (Revised 6-22-87, SPECIAL PN.)

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(Added 01-23-03, SPECIAL PN)

I. Exhibit C, Section V of this Subpart shall be complied with by the applicant, dealer-contractor or builder-developer for manufactured home projects with individual water supply and sewage disposal systems. This Exhibit shall be used by the Rural Development, County Supervisors, District Directors, and State Directors in reviewing submissions.

J. During the planning, design, and construction of the foundation system and/or perimeter enclosure, provisions shall be made for the installation and connection of on-site water, gas, electrical and sewer systems, which are necessary for the normal operation of the manufactured home. Water and sewer system hookups shall be adequately protected from freezing.

II. Development on Scattered Sites and in Subdivisions.

A. General. Scattered sites and subdivision developments will be planned and constructed in accordance with specific requirements of this subpart, Subpart C of Part 1924 and Subpart G of Part 1940 of this chapter, and the applicable Rural Development/MPS or Model Building Codes acceptable to Rural Development. Manufactured homes for development in a manufactured home community shall:
(Revised 6-22-87, SPECIAL PN.)

1. Be erected with or without a basement on a site-built permanent foundation that meets or exceeds applicable requirements of the Rural Development/MPS for One- and Two-Family Dwellings or Model Building Codes acceptable to Rural Development;
2. Be permanently attached to that foundation by anchoring devices adequate to resist all loads identified in the Rural Development adopted MPS (this includes resistance to ground movements, seismic shaking, potential shearing, overturning and uplift loads caused by wind, etc.);
3. Have had the towing hitch or running gear, which includes tongues, axles, brakes, wheels, lights and other parts of the chassis that operate only during transportation removed;
4. Have any crawl space beneath the manufactured home properly ventilated and enclosed by a continuous permanent perimeter enclosure. If it is not the supporting foundation, designed to resist all forces to which it may be subject without transmitting to the building superstructure movements or any effects caused by frost heave, soil settlement (consolidation), or shrinking or swelling of expansive soils; and be constructed of materials that conform to Rural Development adopted MPS requirements for foundations;
5. Have the manufactured home insulated to meet the energy conserving requirements contained in Exhibit D of this subpart;
6. Have a manufactured home site, site improvements, and all other features of the mortgaged property not addressed by the Federal Manufactured Home Construction and Safety Standards, meet or exceed applicable requirements of this Subpart and Part 1924, Subpart C of this chapter, the Rural Development adopted MPS except paragraph 311-2.2 or a Model Building Code acceptable to Rural Development; (Revised 6-22-87, SPECIAL PN.)
7. Have had the manufactured unit itself braced and stiffened where necessary before it leaves the factory to eliminate racking and potential damage during transportation; and
8. Be eligible for financing in accordance with the requirements of either Section 502, or Section 515 of Rural Development's Housing Program, for which purpose the beginning of construction will be the commencement of on-site work even though the manufactured home itself may have been produced and temporarily stored prior to the date of application for financing.

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B. Site Planning and Development. The site planning and development of manufactured home scattered sites and subdivisions shall also comply with the following:

1. Arrangement of Structures and Facilities. The site, including the manufactured home, accessory structures, and all site improvements shall be harmoniously and efficiently organized in relation to topography, the shape of the plot, and the shape, size and position of the unit. Particular attention shall be paid to use, appearance and livability.
2. Adaptation to Site Assets. The manufactured home shall be fitted to the terrain with a minimum disturbance of the land. Existing trees, rock formations, and other natural site features shall be preserved to the extent practical. Favorable views or outlooks shall be emphasized by the plan.
3. Site Plan. The site plan shall provide for a desirable residential environment which is an asset to the community in which it is located.
4. Lot Size. The size of manufactured home lots (scattered sites and subdivisions) shall be determined by 7 CFR part 3550 and subpart C of Part 1924 of this chapter. (Revised 01-23-03, SPECIAL PN.)

C. Foundation Systems, Anchoring and Set-up.

1. The foundation system shall be constructed in accordance with this subpart and one of the following: (a) the foundation system included in the manufacturer's installation instructions meeting Rural Development/MPS requirements, (b) the Rural Development/MPS 4900.1, which specifies performance requirements for foundations in Section 600 "General" and paragraph 601-16 "Foundations," or (c) an Agency recognized model building code.
2. The manufactured home permanent foundation system shall constitute a permanent load bearing support system for the manufactured home. The manufacturer or applicant shall be permitted to design or specify the installation of a foundation system which meets Rural Development/MPS design requirements for foundations and the general requirements above.
3. The applicant's responsibility for proper design and installation of the permanent foundation system, anchoring and set-up shall be in accordance with § 1924.5(f)(1) of this subpart.
4. The builder/developer of the manufactured home property, for proposed construction, shall submit with the application

for financing by the applicant or for a conditional commitment design calculations, details and drawings for the installation, anchorage and construction of permanent foundation and perimeter enclosure to be used.

III. Rental Housing Project Development.

A. General. Manufactured housing rental developments shall be planned and constructed in accordance with requirements of Subpart C of Part 1924; this subpart; Subpart G of Part 1940; the Rural Development/MPS; and the requirements of Subpart E of Part 1944 of this chapter. (Revised 6-22-87, SPECIAL PN.)

B. Site Planning and Development. Site planning and development shall adapt to individual site conditions and the type of market to be served, reflect advances in site planning and development techniques, and be adaptable to the trends in design of the manufactured home. Site planning and development shall utilize existing terrain, trees, shrubs and rock formations to the extent practicable. A regimental style site plan design should be avoided.

C. Foundation Systems, Anchoring and Set-up. Foundation systems, anchoring and set-ups for manufactured home rental projects (site and home) developed under Rural Development Section 515 Rural Rental Housing program shall comply with the requirements of paragraph II A and II C above.

IV. Accessory Structures and Related Facilities.

A. General. Accessory structures and related facilities are dependent upon the manufactured home and its environment.

1. Accessory structures and related facilities shall be planned, designed and constructed in accordance with the applicable provisions of this subpart; the Rural Development/MPS; and local criteria of the authority having jurisdiction.
2. Accessory structures and related facilities shall be designed in a manner that will eliminate and prevent health and safety hazards and enhance the appearance of the manufactured home and its environment.
3. Accessory structures and related facilities shall not obstruct required openings for light and ventilation of the manufactured home and shall not hamper installation and utility connection of the unit.

B. Accessory Structures.

1. Accessory structures shall not include spaces for pantries, bath, toilets, laundries, closets or utility rooms.

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2. Accessory structures shall be carefully designed and constructed for the convenience and comfort of the manufactured home occupant. These features significantly affect the visual appearance of the community and influence livability.

C. Related Facilities (Rental Housing Projects).

1. This includes those facilities as defined in Sections 1944.205 and 1944.212 (e) of Subpart E of Part 1944 of this chapter. (Revised 2-25-88, SPECIAL PN)
2. Related facilities built on-site must meet the Rural Development/MPS and Subpart A of Part 1924 of this chapter or other building codes approved by Rural Development.
3. Workmanship shall be of a quality equal to good standard practice. Material shall be of such kind and quality as to assure reasonable durability and economy of maintenance, all commensurate with the class of building under consideration.
4. All members and parts of the construction shall be properly designed to carry all loads imposed without detrimental effect on finish or covering materials.
5. The structure shall be adequately braced against lateral stresses and each member shall be correctly fitted and connected.
6. Adequate precautions shall be taken to protect against fire and accidents.
7. All related facilities which require accessibility to the handicapped must comply with the Uniform Federal Accessibility Standard (UFAS).

V. Fire Protection and Safety.

- A. The design of the site plan for each manufactured community - and scattered site shall meet the fire protection and safety requirements of the local authority responsible for providing the necessary fire protection services.
- B. All fire detection and alarm systems, and water supply requirements for fire protection for manufactured communities shall be in accordance with the local authority responsible for providing the necessary fire protection services.
- C. Any portion of a manufactured home shall not be closer than the local separation requirements of the development standard for side to side, end to end, and end to side siting. If the exposed composite wall and roof of two or more manufactured homes are proposed to be joined they shall be without openings and constructed of materials which will

provide a minimum one-hour fire rating each, or the manufactured homes are separated by a one-hour fire rated barrier designed and approved for such installation and permitted by the authority having jurisdiction.

D. Manufactured homes shall not be positioned vertically (stacked) with one over the other in whole or in part without the specific approval of the authority having jurisdiction.

PART C - DRAWINGS, SPECIFICATIONS, CONTRACT DOCUMENTS AND OTHER DOCUMENTATION

I. General. Adequate site development and foundation installation drawings and specifications shall be provided by the applicant or dealer-contractor to the Agency to fully describe the construction and other development work. These documents shall be provided according to the requirements of § 1924.5(f)(1) of this subpart. Contract documents will be prepared in accordance with § 1924.6 and, in the case of multiple family housing construction and development, § 1924.13 of this subpart.

A. The documents recommended shall be used as a guide for drawings and specifications to be submitted in support of all types of loan and/or grant applications involving manufactured homes. Adequate and accurate drawings and specifications are necessary to:

1. Determine the acceptability of the physical environment and improvements,
2. Determine compliance with the applicable standards and codes,
3. Review cost estimates, and
4. Provide a basis for financing, inspections, and the warranty.

B. Detailed floor plans, drawings and are not required for any manufactured home to be installed on a scattered site, in a subdivision or rental housing project. However, a schematic floor plan should be submitted by the applicant when applying for Agency financing. The unit must have an affixed label as specified in paragraph XIV (c) (3) of Exhibit F of subpart A of Part 1944 indicating that the unit is constructed to the HUD Title II thermal standards for the appropriate winter degree days. This will indicate that the manufacturer certifies that the unit has been properly inspected and it meets the Agency Thermal Performance Construction Standard. (Revised 01-23-03, SPECIAL PN.)

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to determine that there is no obvious damage or loosening of fastenings that may have occurred during transportation. The dealer-contractor must warrant these units against such damage, which should protect the Agency's interest.

III. Warranty Plan Coverage. The warranty requirements for all development work shall be in accordance with § 1924.9(d) of this subpart and 7 CFR part 3550, subpart B. (Revised 01-23-03, SPECIAL PN.)

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(2) A loan for the acquisition of an existing dwelling and development, if any, in conjunction with the acquisition of an existing dwelling may be made for up to 100 percent of the appraised value or the cost of acquisition and necessary development including those purposes in \$1980.310 of this subpart, whichever is less.

(3) A loan for the acquisition of a newly constructed dwelling (a dwelling that does not meet the definition for an existing dwelling) that does not meet the requirements of \$1980.341(b) of this subpart is limited to 90 percent of the present market value.

(c) Subdivisions. Housing units may be financed in existing subdivisions approved by local, regional, State, or Federal government agencies before issuance of a conditional commitment. The subdivision must meet the requirements of \$1901.203 of subpart E of part 1901 of this chapter. An existing subdivision is one in which the local government has accepted the subdivision plan, its principal developments and right-of-ways, the construction of streets, water and water/waste disposal systems, and utilities; is at a point which precludes any major changes; and provisions are in place for continuous maintenance of the streets and the water and water/waste disposal systems. A dwelling served by a homeowners association (HOA) may be accepted when the project has been approved or accepted by HUD, VA, Fannie Mae, or Freddie Mac.

\$1980.312 Rural area designation.

A rural area is an area which is identified as rural by RHCDS in accordance with \$1944.10 of subpart A of part 1944 of this chapter. Current county maps showing ineligible areas are available in RHCDS field offices.

★ → \$1980.313 Site and building requirements.

(a) Rural area. The property on which the loan is made must be located in a designated rural area as identified in \$1980.312 of this subpart. A nonfarm tract to be purchased or improved with loan funds must not be closely associated with farm service buildings.

(b) Access. The property must be contiguous to and have direct access from a street, road, or driveway. Streets and roads must be hard surfaced or all-weather surface.

(c) Water and water/waste disposal system. A nonfarm tract on which a loan is to be made must have an adequate water and water/waste disposal system and other related facilities. Water and water/waste disposal systems serving the site must be approved by a state or local government agency. When the site is served by a privately owned and centrally operated water and water/waste disposal system, the system must meet the design requirements of the State Department of Health or comparable reviewing and regulatory agency. Written verification must be obtained from the regulatory agency that the private water and water/waste system complies with the Safe Drinking Water Act (42 U.S.C. §300f et. seq.) and the Clean Water Act (33 U.S.C. §1251 et. seq.), respectively. A system owned and/or operated by a private party must have a legally binding agreement which allows interested third parties, such as the lender, to enforce the obligation of the operator to provide satisfactory service at reasonable rates.

(d) Environmental concerns. The RHCDS approval official will comply with the siting and environmental requirements contained in subpart G of part 1940 of this chapter. RHCDS State environmental coordinators will assure that County Supervisors are aware of the environmentally sensitive areas.

(e) Modest house. Dwellings financed must provide decent, safe, and sanitary housing and be modest in cost. A dwelling that can be purchased with a loan not exceeding the maximum dollar limitation of Section 203 (b) (2) of the National Housing Act (12 U.S.C. 1702) is considered modest. Generally, the value of the site must not exceed 30 percent of the total value of the property. When the value of the site is typical for the area, as evidenced by the appraisal, and the site cannot be subdivided into two or more sites, the 30 percent limitation may be exceeded.

(f) Thermal standards. Dwellings financed shall meet the standards outlined in exhibit D of subpart A of part 1924 of this chapter except for an existing dwelling, if documentation is provided to establish that the actual cost of heating and cooling is not significantly greater than those costs for a dwelling that meets RHCDS's thermal standards. If the dwelling is excepted, only the perimeter of the house at the band beam and the heat ducts in unheated basements or crawlspace must be insulated.

(g) Existing dwelling. An existing dwelling financed must be cost effective to the applicant including reasonable costs of utilities and maintenance for the area. Loan guarantees may be made on an existing manufactured home when it meets the provisions of paragraph (i)(2)(i) of this section.

(h) Repairs. Any dwelling financed with an RHCDS guarantee must be structurally sound, functionally adequate, and placed in good repair prior to issuance of Form RD 1980-17 except as provided in \$1980.315 of this subpart.

★ (i) Manufactured homes. New units that meet the requirements of exhibit J of subpart A of part 1924 of this chapter and purchased through RHCDS approved dealer-contractors may be considered for a guaranteed loan under this subpart. The Lender may obtain a list of RHCDS approved models and dealer-contractors from any RHCDS office in the area served.

(1) Loans may be guaranteed for the following purposes when the security covers both the unit and the lot:

(i) A new unit and related site development work on a site owned or purchased by the applicant which meets the requirements and limitations of this section or a leasehold meeting the provisions of \$1980.314 of this subpart.

(ii) Transportation and set-up costs for a new unit.

(2) Loans may not be guaranteed for:

(i) An existing unit and site unless it is already financed with a Section 502 RH direct or guaranteed loan, is being sold from RHCDS inventory, or is being sold from the Lender's inventory provided the Lender acquired possession of the unit through a loan guaranteed under this subpart.

(ii) The purchase of a site without also financing the unit.

(iii) Existing debts owed by the applicant/borrower.

(iv) A unit without an affixed certification label indicating the unit was constructed in accordance with the Federal Manufactured Home Construction and Safety Standards.

(v) Alteration or remodeling of the unit when the initial loan is made.

(vi) Furniture, including movable articles of personal property such as drapes, beds, bedding, chairs, sofas, lamps, tables, televisions, radios, stereo sets, and similar items. Items such as wall-to-wall carpeting, refrigerators, ovens, ranges, clothes washers or dryers, heating or cooling equipment, or similar items, may be financed.

(vii) Any unit not constructed to the RHCDS thermal standards as identified by an affixed label for the winter degree day zone where the unit will be located.

\$1980.314 Loans on leasehold interests.

A loan may be guaranteed if made on a leasehold owned or being acquired by the applicant when the Lender determines that long-term leasing of homesites is a well established practice and such leaseholds are freely marketable in the area provided the Lender determines and certifies to RHCDS that:

(a) Unable to obtain fee title. The applicant is unable to obtain fee title to the property.

(b) Unexpired term. The lease has an unexpired term of at least 40 years from the date of approval.

\$1980.315 Escrow accounts for exterior development.

When proposed exterior development work cannot be completed because of weather and the work remaining to be done does not affect the livability of the dwelling, an escrow account for exterior development only may be established by the originating lender if the following conditions are met:

(a) A signed contract and bid schedule is in effect for the proposed exterior development work.

(b) The contract for development work must provide for completion within 120 days.

**RURAL DEVELOPMENT MANUFACTURED HOUSING
DEALER-CONTRACTOR APPLICATION**

TO: (Rural Development)	Date
-------------------------	------

As provided in 7 CFR Part 3550, this application is submitted for your approval as a Dealer-Contractor.

Tax Identification #	DUNS #	Phone Number	Ownership
Trade Name		Date Business Established	<input type="checkbox"/> SOLE PROPRIETORSHIP
Number and Street		Years at Present	<input type="checkbox"/> PARTNERSHIP
City, Zone, State		Address	<input type="checkbox"/> CORPORATION
Previous Address		Years at Previous Address	<input type="checkbox"/> LIMITED LIABILITY CO.
Type of Business (General Contracting, Lumber Yard, Heating, etc.)		Date Financial Statement	Number of Sales Personnel
			Identify Sales Personnel on Separate Attached Sheet

IF NOT A SOLE PARTNERSHIP, IDENTIFY PRINCIPALS

Name	Title	Home Address
1.		
2.		
3.		

EMPLOYMENT HISTORY OF PRINCIPALS FOR PAST TEN YEARS (If more space is needed, use an attached sheet)

Name of Principal, Position, and Dates Employed	Names and Addresses of Employers	Type of Business
1.		
2.		
3.		

Bank of Deposit

CREDIT REFERENCES

Name	Address	Dates	
		From Year	To Year

TRADE REFERENCES: (NAME PRESENT AND PREVIOUS SUPPLIERS OF MAJOR PRODUCTS)

Names	Address

If any work is subcontracted, give type of work and trade name of subcontractor.

Sales Area	No. of Branches
------------	-----------------

Addresses of Branches

Describe any Guaranty Given Buyers

I(we) hereby understand that I(we) am (are) fully responsible for the Rural Housing activity of all my(our) sales personnel, that ethical and proper selling practices will be followed, and that immediate attention will be given to all complaints involving materials, workmanship or sales representations. I(we) hereby certify that the above statements are true. I(we) understand this application shall remain the property of Rural Development.

Trade Name	By: (Name and Title)
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I/We hereby authorize the Rural Housing Service (RHS), or its successor, to order an individual credit report for each principal, or for the sole proprietor, referred to on the previous page, on a recurring basis as may be necessary, until such time as the individual notifies RHS to the contrary.

Signature of Individual Principal or Sole Proprietor	Social Security Number	Signature of Individual Principal or Sole Proprietor	Social Security Number
--	------------------------	--	------------------------

Signature of Individual Principal or Sole Proprietor	Social Security Number	Signature of Individual Principal or Sole Proprietor	Social Security Number
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WARNING: Section 1001 of Title 18, United States Code provides: "whoever, in any matter within jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years or both."

FOR USE OF DEALER-CONTRACTOR FOR SUPPLYING ADDITIONAL INFORMATION

FOR USE BY RURAL DEVELOPMENT

<input type="checkbox"/> CREDIT REPORT(S) ATTACHED	<input type="checkbox"/> TRADE REFERENCES CHECKED	<input type="checkbox"/> CREDIT REFERENCE(S) CHECKED
REPORTED DATED: ()	<input type="checkbox"/> SALES LITERATURE RECEIVED	<input type="checkbox"/> COPY OF CONTRACT OR SALES AGREEMENT REC'D
Place of Business Inspected by: (Name and Title)	Date Inspected	

Remarks:

The dealer-contractor whose application appears hereon has been approved after such investigations as we consider necessary to establish that the dealer-contractor is reliable, financially responsible and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer.

Dealer-Contractor Approved (Date)	By: (Name and Title)
-----------------------------------	----------------------

U.S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Organization Name

PR/Award Number or Project Name

Name(s) and Title(s) of Authorized Representative(s)

Signature(s)

Date

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 7* A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

EQUAL OPPORTUNITY AGREEMENT

This agreement, dated _____ between _____

(herein called "Recipient" whether one or more) and United States Department of Agriculture (USDA), pursuant to the rules and regulations of the Secretary of Labor (herein called the "Secretary") issued under the authority of Executive Order 11246 as amended, witnesseth:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds \$10,000 - unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965.

1. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause":

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.
- (b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of all rules, regulations and relevant orders of the Secretary of Labor.
- (e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the USDA Civil Rights Office, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by Law.
- (g) The contractor will include the provisions of paragraph 1 and paragraph (a) through (g) in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the USDA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the USDA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collections is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

2. To be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the organization so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.
3. To notify all prospective contractors to file the required 'Compliance Statement', Form RD 400-6, with their bids.
4. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract. Bid conditions for all nonexempt federal and federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.
5. To assist and cooperate actively with USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary, that it will furnish USDA and the Secretary such information such as, but not limited to, Form AD 560, Certification of Nonsegregated Facilities, to submit the Monthly Employment Utilization Report, Form CC-257, as they may require for the supervision of such compliance, and that it will otherwise assist USDA in the discharge of USDA's primary responsibility for securing compliance.
6. To refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by USDA or the Secretary of Labor pursuant to Part II, Subpart D, of the Executive Order.
7. That if the recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the organization under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such organization; and refer the case to the Department of Justice for appropriate legal proceedings.

Signed by the Recipient on the date first written above.

Recipient

Recipient

(CORPORATE SEAL)

Name of Corporate Recipient

Attest:

By _____
President

Secretary

UNITED STATES DEPARTMENT OF AGRICULTURE

NOTICE TO CONTRACTORS AND APPLICANTS

Attached is a nondiscrimination poster. In accordance with the terms of your construction contract with _____;

(Name of Borrower or Recipient of Grant)

the poster is to be displayed in all employment offices, on bulletin boards, and in other conspicuous places available to employees and applicants for employment. The poster must be displayed in the same manner by your subcontractors who are subject to the equal opportunity provisions of your contract, and you are required to furnish them with such posters. Additional copies of the posters may be obtained from this office.

Any reference to Federal Government contract or contractors in the standard forms or posters is to be interpreted to include any contract for construction work financed in whole or in part with a United States Department of Agriculture (USDA) loan or grant.

"Subcontractors" as used herein means any subcontractor holding a subcontract which calls for supplies or services required for the performance of the prime contract except subcontracts which either (1) do not exceed \$10,000 (\$100,000 if for standard commercial supplies or raw materials) or (2) are below the second tier and do not call for construction work at the site of construction, including any temporary location or facility established by the subcontractor specifically to meet the demands of his subcontract.

A USDA official may conduct compliance reviews of contracts covered by Executive order 11246, as amended. You will be notified if such a review is scheduled.

Date

USDA official

Name of Contractor

Address of Contractor

COMPLIANCE STATEMENT

This statement relates to a proposed contract with _____

(Name of borrower or grantee)

who expects to finance the contract with assistance from either the Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS), or the Rural Utilities Service (RUS) or their successor agencies, United States Department of Agriculture (whether by a loan, grant, loan insurance, guarantee, or other form of financial assistance). I am the undersigned bidder or prospective contractor, I represent that:

1. I ☐ have, ☐ have not, participated in a previous contract or subcontract subject to Executive 11246 (regarding equal employment opportunity) or a preceding similar Executive Order.
2. If I have participated in such a contract or subcontract, I ☐ have, ☐ have not, filed all compliance reports that have been required to file in connection with the contract or subcontract.

If the proposed contract is for \$50,000 or more and I have 50 or more employees, I also represent that:

3. I ☐ have, ☐ have not previously had contracts subject to the written affirmative action programs requirements of the Secretary of Labor.
4. If I have participated in such a contract or subcontract, I ☐ have, ☐ have not developed and placed on file at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor.

I understand that if I have failed to file any compliance reports that have been required of me, I am not eligible and will not be eligible to have my bid considered or to enter into the proposed contract unless and until I make an arrangement regarding such reports that is satisfactory to either the RHS, RBS or RUS, or to the office where the reports are required to be filed.

I also certify that I do not maintain or provide for my employees any segregated facilities at any of my establishments, and that I do not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I certify further that I will not maintain or provide for my employees any segregated facilities at any of my establishments, and that I will not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I agree that a breach of this certification is a violation of the Equal Opportunity clause in my contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and wash rooms, restaurants and other eating areas time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. I further agree that (except where I have obtained identical certifications for proposed subcontractors for specific time periods) I will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that I will retain such certifications in my files; and that I will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods): (See Reverse).

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NON-SEGREGATED FACILITIES

A certification of Nonsegregated Facilities, as required by the May 9, 1967, order (32F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e. quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

DATE _____

(Signature of Bidder or Prospective Contractor)

Address (including Zip Code)

CONSTRUCTION CONTRACT

State _____

County _____

This Contract, made this _____ day of _____, 20 _____,

by _____ of _____

(hereinafter called the 'Owner'), and _____ of _____

_____ (hereinafter called the "Contractor").

WITNESSETH that the parties hereto agree as follows:

(A) The Contractor will furnish materials and perform the work for:

for the consideration of _____ dollars (\$ _____),
in accordance with the "General Conditions" shown in this contract and the specifications and the drawings as follows:

(B) The Contractor will start work by _____, 20 _____, and will complete the
work by _____, 20 _____ (See paragraph III of General Conditions).

(C) The Owner will make payments as follows: (Check ☐ proper payment clause and effectively xxxxxxxxxx out all of the clauses not applicable.)

- ☐ 1. ONE LUMP SUM will be made for the whole contract, upon acceptance by the owner and Rural Development, of all work required hereunder and compliance by the contractor with all the terms and conditions of this contract.
- ☐ 2. PARTIAL PAYMENTS NOT TO EXCEED 60 PERCENT of the value of the work in place (less the aggregate of previous payments) will be made at intervals of _____. The value of work in place shall be as estimated by the contractor and approved by Rural Development. Prior to receiving any partial payment, the contractor must furnish the owner with a statement showing the total amount owed to date for materials and labor procured under this contract and, if required by the owner or Rural Development, must also submit evidence showing that previous partial payments were properly applied and that the current payment will be properly applied. Upon completion of the whole contract and acceptance of the work as required hereunder, by the owner and Rural Development, and compliance by the contractor with all terms and conditions of this contract, the amount due the contractor will be paid.
- ☐ 3. PARTIAL PAYMENTS IN THE AMOUNT OF 90 PERCENT of the value of the work in place and of the value of the materials suitably stored at the site (less the aggregate of previous payments) will be made at intervals of _____. The value of the work and materials in place or on site shall be as estimated by the contractor and approved by the owner and Rural Development. Upon acceptance by the owner and Rural Development of all work required hereunder, and compliance by the contractor with all terms and conditions of this contract, the amount due the contractor will be paid. The contractor shall, before the owner signs the contract, deliver to the owner a surety bond in the amount of the contract.

(D) The items described below (the Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity required by Executive Order 11246, the Equal Opportunity Clause published at 41 CFR 60-1.4 (a) and (b), and the Standard Federal Equal Employment Opportunity Construction Contract Specifications required by Executive Order 11246) apply, during the performance of this contract, if the contract exceed \$10,000 (This also includes subsequent loans and grants, or contract change orders made during the construction period of the original contract, which will cause the total to exceed \$10,000.) to the following: (1) All contractors or subcontractors who hold any Federal or federally assisted construction contract, (2) All grants, contracts and loans (direct, insured, or guaranteed) let by Rural Development, and (3) All construction work performed by construction contractors and subcontractors for Federal nonconstruction contractors and subcontractors if the construction work is necessary in whole or in part to the performance of a nonconstruction contract or subcontract. The items are applicable to all of a contractor's or subcontractor's employees who are engaged in "on site" construction including those construction employees who work on a non-Federal or non-federally assisted construction site. The items, however, will not pre-empt state and local government regulations of the construction industry, and will not relieve contractors and subcontractors of the obligations they may have under other affirmative action or equal opportunity programs.

1. As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

d. "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice

of these programs to the sources compiled under 7b above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7a through p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through p of these Specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been estab-

lished. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

10. The contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at

least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(E) The contractor will determine if this contract is subject to a Hometown Plan. Check this block ☐ if contract is subject to a Hometown Plan. Effectively xxxxxxxx out this provision if it is not. This contract is subject to the _____ Plan. The applicable conditions are attached hereto and made a part hereof.

(Contractor)_____
(Owner)

GENERAL CONDITIONS

I. CHANGES IN WORK. - The Owner may at any time, with the approval of the official designated by Rural Development (hereinafter called the Representative), make changes in the drawings and specifications, within the general scope thereof. If such changes cause an increase or decrease in the amount due under this contract or in the time required for its performance, an equitable adjustment will be made, and this contract will be modified accordingly by a "Contract Change Order". No charge for any extra work or material will be allowed unless the same has been ordered on such contract change order by the Owner with the approval of the Representative, and the price thereof stated in the order.

II. INSPECTION OF WORK. - All materials and workmanship will be subject to inspection, examination, and test, by the Representative, who will have the right to reject defective material and workmanship or require its correction.

III. COMPLETION OF WORK. - If the Contractor refuses or fails to complete the work within the time specified in paragraph B of this contract, or any extension thereof, the Owner may, with the approval of the Representative, terminate the Contractor's right to proceed. In such event the Owner may take over the work and prosecute the same to completion by contract or otherwise and the Contractor will be liable for any excess cost occasioned the Owner thereby; and the Owner may take possession of and utilize in completing the work such materials and equipment as may be on the site of the work and necessary therefor. If the Owner does not terminate the right of the Contractor to proceed, the Contractor will continue the work, in which event, actual damages for delay will be impossible to determine, and in lieu thereof, the Contractor may be required to pay to the Owner the sum of \$ _____ as liquidated damages for each calendar day of delay, and the Contractor will be liable for the amount thereof: Provided, however, that the right of the contractor to proceed will not be terminated because of delays in the completion of the completion of the work due to unforeseeable causes beyond the Contractor's control and without Contractor's fault or negligence.

IV. RELEASES. - Prior to final payment, the Contractor will submit evidence that all payrolls, material bills, and other indebtedness connected with the work have been paid as required by the Owner or the Representative.

V. OBLIGATION TO DISCHARGE LIENS. - Acceptance by the Owner and the Representative of the completed work performed by the Contractor and payment therefor by the Owner will not relieve the Contractor of obligation to the Owner (which obligation is hereby acknowledged) to discharge any and all liens for the benefit of subcontractors, laborers, material-person, or any other persons performing labor upon the work or furnishing material or machinery for the work covered by this contract, which have attached to or may subsequently attach to the property, or interest of the Owner.

VI. NOTICES AND APPROVAL IN WRITING. - Any notice, consent, or other act to be given or done hereunder will be valid only if in writing.

VII. ADDITIONAL REQUIREMENTS. - The Contractor, in the performance of this contract, will comply with all applicable Equal Opportunity requirements. The provisions of RD Instruction 1901-F concerning the protection of historical and archaeological properties and the provisions of RD Instruction 1940-G concerning environmental requirements apply. The Contractor understands that should any archaeological resources be discovered during the construction process, the Contractor will notify the Owner and cease further construction activity that could affect the resource until the Owner has consulted with the Representative and the Contractor is informed of any steps to be taken or told to proceed with construction.

VIII. CLEANING UP. - The Contractor shall keep the premises free from accumulation of waste material and rubbish and at the completion of the work shall remove from the premises all rubbish, implements and surplus materials and leave the building broom-clean.

IX. BUILDER'S WARRANTY. - upon completion of the work the contractor will; (Check ☐ proper warranty clause and effectively xxxxxxxx out the inapplicable clause.)

☐ execute Form RD 1924-19, "Builder's Warranty".

☐ provide an RD-approved 10- year home warranty policy in accordance with Section 1924.9 and exhibit L of RD Instruction 1924-A.

RD 1924-6

CONSTRUCTION CONTRACTORS
AFFIRMATIVE ACTION REQUIREMENTS
GOALS (%) FOR MINORITY AND WOMEN PARTICIPATION
As Published in the Friday, October 3, 1980 Federal Register

Goals for Participation of Women (Entire State) 6.9

Goals for Minority Participation:

Adams	3.1	Edgar	4.8	Johnson	11.4	Menard	4.5	Shelby	4.0
Alexander	11.4	Edwards	3.5	Kane	19.6	Mercer	3.4	Stark	3.3
Bond	11.4	Effingham	11.4	Kankakee	9.1	Monroe	14.7	St. Clair	14.7
Boone	6.3	Fayette	11.4	Kendall	18.4	Montgomery	11.4	Stephenson	4.6
Brown	3.1	Ford	4.8	Knox	3.3	Morgan	4.0	Tazewell	4.4
Bureau	18.4	Franklin	11.4	Lake	19.6	Moultrie	4.0	Union	11.4
Calhoun	11.4	Fulton	3.3	LaSalle	18.4	Ogle	4.6	Vermilion	4.8
Carroll	3.4	Gallatin	3.5	Lawrence	3.5	Peoria	4.4	Wabash	3.5
Cass	4.0	Greene	11.4	Lee	4.6	Perry	11.4	Warren	3.3
Champaign	7.8	Grundy	18.4	Livingston	18.4	Piatt	4.8	Washington	11.4
Clark	2.5	Hamilton	3.5	Logan	4.0	Pike	3.1	Wayne	11.4
Clay	11.4	Hancock	3.4	Macon	7.6	Pope	5.2	White	3.5
Clinton	14.7	Hardin	5.2	Macoupin	11.4	Pulaski	11.4	Whiteside	3.4
Coies	4.8	Henderson	3.4	Madison	14.7	Putnam	18.4	Will	20.9
Cook	19.6	Henry	4.6	Marion	11.4	Randolph	11.4	Williamson	11.4
Crawford	2.5	Iroquois	18.4	Marshall	3.3	Richland	11.4	Winnebago	6.3
Cumberland	4.8	Jackson	11.4	Mason	3.3	Rock Island	4.6	Woodford	4.4
DeKalb	18.4	Jasper	11.4	Massac	5.2	Saline	3.5		
DeWitt	4.0	Jefferson	11.4	McDonough	3.3	Sangamon	4.5		
Douglas	4.8	Jersey	11.4	McHenry	19.6	Schuyler	3.3		
DuPage	19.6	JoDaviess	0.5	McLean	2.5	Scott	4.0		

(10-22-97) PN 152

o O o

Please use the percentages listed beside your county to insert in the proper chart on Page 2 of RD 1924-6, Construction Contract.

Date _____

Dear Sir:

I hereby acknowledge the receipt of _____ dollars
(\$ _____) in full payment of my contract dated _____
for improvement work which I did for you and which is described in my contract.

I certify that I have paid in full for all materials purchased and all labor employed in the performance of this contract, and that there are no claims against me under this contract on account of injuries sustained by workers employed by me or by subcontractors thereunder. I hereby release you from any claims arising by virtue of this contract.

I am attaching Form RD 1924-10, "Release by Claimants," signed by all persons from whom I have purchased materials and by all subcontractors and all persons employed in connection with my contract with the above-named borrower.

WARNING

The statements and representations made above are made in connection with construction financed in whole or in part by the United States Department of Agriculture (USDA). The statements and representations will be used to determine the release of USDA provided funds. The making of any false statement or misrepresentation herein may be a crime punishable under Title 18 U.S.C. § 1001 which provides in part: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or statement or entry, shall be fined under [title 18 of the United States code] or imprisoned not more than five years, or both.

Sincerely,

Contractor

Position 6

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

RD 1924-9 (Rev. 1-98)

RELEASE BY CLAIMANTS

The undersigned, having received payment in full for all labor, materials, supplies, or equipment supplied to _____, Contractor, or to any subcontractor, in the construction or repair of the improvements upon the property located at:

_____, and furnished in the execution and fulfillment of contract between said Contractor and _____ Owner, dated _____

_____, do (does) hereby release and waive any and all claims, liens, and lien rights, of any kind, nature, or description whatsoever, against said property and the Owner thereof, and against said Contractor.

<i>Lien or Claimant</i>	<i>Work or Materials</i>	<i>Amount</i>	<i>Date</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

INSPECTION REPORT

STATE _____

FOR _____ COUNTY _____

ADDRESS _____

ITEM OF DEVELOPMENT	PERCENT COMPLETE	ITEM OF DEVELOPMENT	PERCENT COMPLETE

PERIODIC INSPECTION

Date & No. of previous inspection: _____

This inspection is Number _____

ITEMIZE AND DESCRIBE the significant conditions observed to be at variance with the approved plans and specifications and make your recommendations for correcting the deficiencies. Also make comments with respect to the progress of the work. In the case of development performed by the borrower method, carefully compare work accomplished with funds available and record any facts which indicate that actual costs are significantly at variance with planned costs. Check to see that deficiencies previously reported have been corrected.

(See attached sheets for additional comments)

DATE _____ SIGNED _____

Indicate whether: ☐ Agency Representative, or
☐ Contractor

FINAL INSPECTION

I CERTIFY that I have inspected for the purposes set forth in 7 C.F.R. 1924 subpart A and 7 C.F.R. 1942 subpart A, the above listed items of development and that those shown as 100% complete have been completed in accordance with the Drawings and Specifications or other descriptive material. Health Department approval has been given the water and waste disposal system

on (date) _____. Builder's Warranty is dated _____

DATE _____ SIGNED _____

USDA Representative

The undersigned gives approval of acceptance of the work constructed under the conditions of the contract and Builder's Warranty.

DATE _____ SIGNED _____

Borrower

DATE _____ SIGNED _____

Builder (Optional)

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

BUILDER'S WARRANTY

Names and Address of Purchasers or Owners

Property

For good and valuable consideration, the undersigned Warrantor hereby warrants to the Purchasers or Owners identified above and to the successors or transferees, all of whom are hereinafter referred to as Owners that:

The building, including appurtenances located on the property identified above, is constructed or improved in substantial conformity with the drawings and specifications which have been accepted in writing by the respective USDA Agency. This warranty applies to all workmanship, materials, and the installation of equipment (including, but not limited to, the heating system, water heater, ranges and refrigerator).

The Owners shall give written notice to the Warrantor promptly after the discovery of any defective condition. Such written notice must be given to the Warrantor during the period of warranty. The period of warranty shall be (a) in the case of new construction or rehabilitation, one year from the date of initial occupancy of the completed or rehabilitated building, or (b) in the case of improvements made to an existing building owned by the Owners prior to the improvements being made, one year from the date of the completion of the work.

It is agreed and understood that this warranty shall apply only to those defective conditions of which the Warrantor has been given written notice during the period of warranty.

Warrantor further agrees that warrantor will take any necessary actions to correct such defective conditions within _____ days of receipt of written notice. If such action is not taken within _____ days, the Owners may, at their option, contract with another party for the correction of the defects. Warrantor agrees to pay any expenses incurred by the Owners to correct defects covered by this warranty.

This warranty shall be in addition to, and in no way reduce, all other rights and privileges which such Owners may have under any other law or instrument, and shall be binding on the Warrantor notwithstanding any provision to the contrary contained in the contract of purchase or any other instrument executed by the Owners.

This warranty is executed, in part, for the purpose of inducing the United States Department of Agriculture, (USDA) to make, insure, or guarantee a loan on the Property.

If this warranty is signed by anyone other than the Warrantor, the person signing for the Warrantor represents and certifies that the person is authorized to execute same by the Warrantor and by the person's signature the Warrantor is bound under the terms and conditions of this warranty

- NOTES: A. The warrantor must complete all three copies except dates, meet with owner to agree on notification period, sign and give to the Owner with the final request for payment.
Owner must meet with Warrantor to agree on warranty notification period and to date and sign the warranty. owner must retain original, and forward one copy to contractor, and one to the respective USDA Agency with the final request for payment.
- B. This warranty shall be required in all cases involving new construction or rehabilitation of buildings including those built under contract, those built for sale without the respective USDA Agency's required construction inspections and those under conditional commitment procedures.

WARNING

Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully . . . makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$250,000 or imprisoned not more than five years, or both."

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

In addition to the preceding warranty, the following items are covered by a company warranty or guarantee as follows:

Item	Serial & Model No.	Name and Address of Company	No. Yrs. or Mos. of Warranty
Heating System			
Kitchen Range			
Water Heater			
Refrigerator			
Manufactured Home			
Other			
Other			

NOTICE TO OWNERS: ANY NOTICE OF DEFECTIVE WORKMANSHIP, MATERIALS OR NONCONFORMITY MUST BE DELIVERED TO THE WARRANTOR NO LATER THAN

(Warrantor shall insert date one (1) year from initial occupancy, date of conveyance of title or date of completion, whichever is applicable.) All plastic pipe used in this job will carry a 5-year warranty from the date shown by the Warrantor above.

We have furnished the above company warranties or guarantees to the Owners for their use. If this warranty covers a manufactured home, we certify that the manufactured home property substantially complies with the plans and specifications and the manufactured home sustained no hidden damage during transportation and, if manufactured in separate sections, that the sections were properly joined and sealed according to the manufacturer's specifications.

The Warrantor has signed this warranty this _____ day of _____,

(Warrantor's Address) (SEAL)
Warrantor (Signature & Title)

Receipt of this warranty is acknowledged this _____ day of _____.

Owner(s)

ATTACHMENT 5-B
SINGLE FAMILY HOUSING SITE CHECKLIST
(To be used with New and Existing Dwellings)

Applicant's Name _____

Property Address _____

Name of Subdivision: _____

Note: If the answer is "YES," provide comments and discuss with the appropriate State Office technical staff (Architect, Engineer, or State Environmental Coordinator) for further evaluation and guidance. The presence of any of the following conditions must be considered in the appraised value.

1. SITE SUITABILITY, ACCESS, AND COMPATIBILITY WITH SURROUNDING DEVELOPMENT

Has the site been used as a dump, sanitary landfill, or mine waste disposal area? () Yes () No

Is there indication of:

	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
distressed vegetation	()	()	oil/chemical spills	()	()
waste material/containers	()	()	abandoned machinery, cars,		
soil staining, pools of liquid	()	()	refrigerators, etc.	()	()
loose/empty drums, barrels	()	()	transformers, fill/vent pipes,		
			pipelines, drainage structures	()	()

Are there other unusual conditions on site which might indicate potential for contamination from hazardous waste, hazardous substances, or petroleum products? () Yes () No

Note: Complete a Transition Screen Questionnaire, if a "YES" answer is given to any of the above three items, before proceeding further with this application.

Is the site compatible with surrounding area in terms of:

	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Land use	()	()	Building type	()	()
Height, bulk, mass	()	()	Building density	()	()

Will the site be unduly influenced by:

	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Building deterioration	()	()	Transition of land uses	()	()
Postponed maintenance	()	()	Incompatible land uses	()	()
Obsolete public facilities	()	()	Inadequate off-street parking	()	()

2. SOIL STABILITY, EROSION, AND DRAINAGE

Slopes: () Not applicable () Steep () Moderate () Slight

Is there evidence of slope erosion or unstable slope conditions on or near the site? () Yes () No

Is there evidence of ground subsidence, high water table, or other unusual conditions on the site?
() Yes () No

Is there any visible evidence of soil problems (foundations cracking or settling, basement flooding, etc.) in the neighborhood of this site? () Yes () No

Have soil studies or boring been made for the site or the area? () Yes () No () Unknown

Do the soil studies or boring indicate marginal or unsatisfactory soil conditions? () Yes () No

Is there indication of cross-lot runoff, swales, drainage flows on the property? () Yes () No

Are there visual indications of filled ground? () Yes () No

Are there active rills and gullies on site? () Yes () No

If the site is not to be served by a municipal waste water disposal system, has a report of the soil conditions suitable for on-site septic systems been submitted? () Yes () No () Not Applicable

3. NUISANCES AND HAZARDS

Will the site be affected by natural hazards:

	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Faults, fracture	()	()	Fire hazard materials	()	()
Cliffs, bluffs, crevices	()	()	Wind/sand storm concerns	()	()
Slope-failure from rains	()	()	Poisonous plants, insects, animals	()	()
Unprotected bodies of water	()	()	Hazardous terrain features	()	()

Will the site be affected by built hazards and nuisances:

	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Hazardous street	()	()	Railroad crossing	()	()
Dangerous intersection	()	()	Inadequate screened		
Through traffic	()	()	drainage catchments	()	()
Inadequate separation			Hazards in vacant lots	()	()
of pedestrian/vehicle traffic	()	()	Chemical tank-car terminals	()	()
Traffic way	()	()	Other hazardous chemical storage	()	()
Inadequate street lighting	()	()	High-pressure gas or liquid		
Quarries			petroleum transmission		
or other excavations	()	()	lines on site	()	()
Dumps/sanitary landfills or			Overhead transmission lines	()	()
mining	()	()	Hazardous cargo		
Heavy industry	()	()	transportation routes	()	()
Incinerators	()	()	Oil or gas wells	()	()
Power generating plants	()	()	Industrial operations	()	()
Oil refineries	()	()	Cement plants	()	()

Will the site be affected by nuisances:

	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Gas, smoke, fumes	()	()	Unightly land uses	()	()
Odors	()	()	Abandoned vehicle	()	()
Vibration	()	()	Vermin infestation	()	()
Vacant/boarded-up			Industrial nuisances	()	()
buildings	()	()	Other _____	()	()

4. WATER SUPPLY, SANITARY SEWERS, AND SOLID WASTE DISPOSAL

Is the site served by an adequate and acceptable:

water supply () Yes () No () Municipal () Private;

sanitary sewers and waste disposal systems () Yes () No () Municipal () Private;

and trash collection and solid waste disposal () Yes () No () Municipal () Private.

If the water supply is non-municipal, has an acceptable "system" been approved by appropriate authorities and agencies?

☐ Yes ☐ No

If the sanitary sewers and waste water disposal systems are non-municipal, has an acceptable "system" been approved by appropriate authorities and agencies?

☐ Yes ☐ No

5. NOISE ABATEMENT

Is the site located near a major noise source, i.e., civil airports (within 5 miles), military airfields (15 miles), major highways or busy roads (within 1000 feet), or railroads (within 3000 feet)? ☐ Yes ☐ No

6. AIRPORT HAZARDS

Is the project within 3,000 feet from the end of a runway at a civil airport? ☐ Yes ☐ No

Is the project within 2-1/2 miles from the end of a runway at a military airfield? ☐ Yes ☐ No

7. OTHER CONDITIONS

Are there any field conditions not specified above that would adversely affect the acceptability of the lots/sites? ☐ Yes ☐ No

Inspected By

Date

ITEM NUMBER	ADDITIONAL COMMENTS

(01-23-03) SPECIAL PN
Revised (09-10-03) PN 363

